LATIN AMERICA
AND
THE UNITED STATES

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A. W. S.

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PREFACE TO THE FIRST EDITION

The purpose in writing this book has been to give a brief and accurate survey of the diplomatic and commercial relations between the United States and those Latin-American countries with which our interests have been most closely related. The increasingly friendly relations brought about by the World War, the development and expansion of commercial relations, the improved facilities for communication and travel, have made evident the vital importance of our future relations with the nations of this hemisphere. This need has been shown by the demand in our colleges and universities for more courses dealing with Latin-American history, geography, institutions, diplomatic policies, and commercial possibilities.

This volume, designed primarily as a text for classes in American diplomacy, and for those studying our relations with Latin America, will, it is hoped, also appeal to that part of the general public which is interested in the bases and development of American foreign policy. To make it the more useful for reference, the citation of the documentary sources of much of the material has been considered essential. In addition, supplementary reading lists have been appended to each chapter to give the student opportunity to obtain the background necessary for a complete understanding of the facts presented. The maps have been specially prepared for the volume to give the reader a clearer conception of the general features of Latin American geography, and for that reason have been made as simple as possible.

Every effort has been made to present the facts fairly and accurately, with particular emphasis upon those phases of American diplomacy which have hitherto received least attention. For example, the diplomatic relations between the United States and Mexico preceding the Mexican War have been sketched very briefly, inasmuch as this material is already available in excellent form. On the other hand, our recent relations with the Caribbean countries and Central America, and our diplomatic relations with Argentina, Brazil, and Chile have been given more detailed atten-

tion owing to the greater difficulty of obtaining satisfactory material on these subjects.

The author wishes to express his deep obligation to Professor Frederic A. Ogg, the editor of the series, for his careful reading and revision of the manuscript and for his many helpful suggestions and improvements. Grateful acknowledgment is also given to the librarians of the Wisconsin Historical Society for their constant and invaluable assistance, and in particular to Mrs. R. D. Evans for aid in collecting the documentary materials and to Miss Mary Foster and Miss Marjorie Park for their coöperation in the search for material.

G. H. S.

PREFACE TO THE FOURTH EDITION

The Good Neighbor policy of the Roosevelt administration, followed by the outbreak of war in the Western Hemisphere, has brought about a new era in the relations of the United States with Latin America. The present edition seeks to indicate the many resulting changes. Two new chapters have been added covering Nazi subversive activities and the implementation of the Good Neighbor policy. The author's grateful acknowledgment is due to Mrs. Maria Hoge, Director of the Bureau of Inter-American Relations at Stanford University for her helpful criticism and advice.

G. H. S.

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CHAPTER I

THE NEW PAN AMERICANISM

JUST as individuals, influenced by their several environments, follow out definite courses of action, so nations, reacting to certain geographical, economic, and strategic stimuli, evolve policies that fix the broad outlines of their world relations. For Great Britain, the control of the seas has been the dominating factor; her whole foreign policy, her great navy, her far-flung empire, are part and parcel of it. For France the eastern frontier has been a perpetual sword of Damocles; the Russian Alliance, the Triple Entente, and the harsh clauses of Versailles were merely rings of defense in a policy of protection against Germany. The Russian giant, hemmed in by the frozen seas of the north, the Siberian wastes on the east, and powerful neighbors on the west, steadily pursued a policy of expansion towards the open water, with Constantinople and control of the Mediterranean arteries as the goal of his ambition.

The keynote of the foreign policy of the United States was sounded by Washington in the memorable proclamation of neutrality of 1793; and its *motif* was outlined in the farewell address of 1796. The new nation must not have part in the political broils of Europe. The great ocean had isolated us—"Why forego the advantages of so peculiar a situation?" The Monroe Doctrine, enunciated a generation later, merely added a corollary to this policy by making it objective as well as subjective. And for fully a century the United States, confronted with what seemed an unlimited field for inland expansion, pushed its frontier westward and maintained its isolation.

The war with Spain, however, brought a new situation. The Monroe Doctrine could easily be stretched to the Spanish West Indies, but could it be made to reach across the Pacific? While still debating the question, the United States became a world power. The Hague conferences, the peace of Portsmouth, relief of the legations endangered by the Boxer Rebellion, the Conference of Algeciras, found the United States participating; and its rôle was not without honor.

Naturally enough, the results of the Spanish war aroused in Europe a feeling of jealousy towards the new world power that had appeared in the west; international society is commonly conservative and prone to frown upon the upstart state. But this feeling was not confined to Europe. Latin America, which might have been expected to acclaim the new-found freedom of the unhappy Cubans, looked instead with regret towards the conquered Spaniard and with fear towards the Yankee victor. *Quis custodiet custodem?* Texas and Mexico were not forgotten, and Cleveland's assertion of the sovereignty of the United States over the Western Hemisphere still echoed in the Andes. *Cuba libre* had a pleasing sound. But how about Puerto Rico?

The events of the next few years were not of such character as to allay Latin-American suspicions. The Platt Amendment was looked upon no more favorably in South America than in Cuba. The policy of President Theodore Roosevelt in Santo Domingo, and the "big-stick" policy in general, was viewed with alarm. Again, when Colombia refused to accept the terms of the United States for a canal concession, and as a result lost possession over her province of Panama, all Latin America looked askance at its powerful neighbor on the north. Washington's policy of isolation seemed to have been thrown overboard; Monroe's doctrine was no longer recognizable.

Fortunately, for a period at any rate, the peak of American imperialism had been reached. In 1905 Elihu Root became Secretary of State, and in the following year he visited South America. The sincerity and cordiality of his utterances, and the friendly attitude of the United States towards closer American coöperation, opened a new era in Pan American relations. The Wilson ad-

ministration, from the outset, favored closer relations with Latin America, and one of the earliest statements of the President thus outlined his policy: "One of the chief objects of the new administration will be to cultivate the friendship and deserve the confidence of our sister republics of Central and South America and to promote in every proper and honorable way the interests which are common to the peoples of the two continents." [1] This attitude was maintained throughout the trying Mexican situation and through the stress of the World War, and one of the last official acts of President Wilson was to send Secretary Colby on an official mission to South America to counteract influences working against the United States. The success of this visit was so great that it evoked a very cordial farewell message from President Irigoyen of Argentina, whose attitude towards the United States throughout the war had been decidedly unsympathetic.

The Harding administration, with the Department of State under the able guidance of Secretary Hughes, not only recorded itself as supporting the excellent policies promulgated by Secretary Root, but made a unique record in its efforts to settle a number of outstanding and thorny disputes in the Caribbean area. The prompt ratification of the treaty with Colombia, affording some reparation to the latter for her loss of sovereignty over Panama, made an auspicious beginning. The withdrawal of the marines from the Dominican Republic and the promise of a better situation in Haiti gave encouragement to the anti-imperialists. The decision to raise the legation at Havana to an embassy, and the naming of General Crowder for the post, was more than a friendly gesture, while the surrender of the Isle of Pines to Cuba was a real if belated contribution to the inviolability of treaty obligations. The appointment of an able administrator in the person of Judge Towner to the governorship of Puerto Rico, in place of the time-serving politician who had first received the post, augured well for an immediate improvement

[1] E. E. Robinson and V. J. West, *The Foreign Policy of Woodrow Wilson* (New York, 1917), p. 179.

in the conditions in Puerto Rico. Even the impasse with Mexico was finally broken and the Obregón government recognized.

But perhaps the outstanding achievement of the Harding administration in its Caribbean policy was the Central American Conference at Washington, which not only resurrected the Central American Court of Justice but also brought about a limitation of armament on land as well as on water among the five Central American Republics. It was in his speech of welcome to the delegates of this conference that Secretary Hughes laid down certain bases of conduct governing the United States in its relations with its Caribbean neighbors which might well serve subsequent administrations: "The government of the United States has no ambition to gratify at your expense, no policy which runs counter to your national aspirations, and no purpose save to promote the interests of peace and to assist you, in such manner as you may welcome, to solve your problems to your own proper advantage. The interest of the United States is found in the peace of this hemisphere and in the conservation of your interests." [2]

The Coolidge administration was less fortunate in the results of its dealings with Latin-American neighbors. Neither by training, experience, nor temperament was Secretary Kellogg suited to handle the delicate problems which faced the United States in Mexico and the Caribbean. The relations with Mexico required a finesse and tact which were wholly wanting in Washington. A policy of smug self-righteousness and thinly veiled threats bolstered up by the bogy of Bolshevism set in motion a strong current of bitter hostility not only below the Rio Grande but also south of Panama. The vacillating intervention in Nicaragua swelled the torrent of ill-will. The utter failure of the Tacna-Arica arbitration was an added blow to our prestige. Criticism of American policies in Latin America became so pronounced that on February 22, 1927, Senator Borah introduced a resolution to empower the Senate Foreign Relations Committee "to investigate and study conditions and policies bearing upon the relationship between Central American countries, Mexico and the

[2] *Bulletin of the Pan American Union*, Vol. 56, (Jan., 1923), p. 2.

United States and to visit such countries." [3] Secretary Kellogg protested vigorously and the investigation idea was dropped; but with this change the proposal was approved by the Foreign Relations Committee.

The constant criticism of American policies in the Caribbean area brought forth a remarkable speech from President Coolidge on the occasion of the meeting of the United Press Association in New York City in April, 1927. After advocating the naïve theory that the press should always support an administration in its dealings with foreign powers, he laid down a rather startling extension of the Wilsonian principle that recognition be accorded only to constitutionally established governments. The Coolidge policy not only accepted this responsibility but asserted that such recognition, by its evidence of approval, entailed the support of the United States. Having enunciated a frank policy of intervention, President Coolidge thereupon fixed the sphere of its operation in specific terms: "Toward the governments of countries which we have recognized this side of Panama we feel a moral responsibility that does not attach to other nations." [4] If this was a blunt notice of American hegemony over its weaker neighbors to the South, it at least had the merit of confining "manifest destiny" to a definite area.

Nevertheless the next principle laid down by President Coolidge allowed for no bounds or barriers. "Our government has certain rights over and certain duties toward our own citizens and their property wherever they may be located. The person and property of a citizen are a part of the general domain of the nation, even when abroad. . . . Wherever he goes these duties of our government must follow him." Such policies, if followed to their natural conclusion, would constitute a *real politik* for the Western Hemisphere which might be very difficult to reconcile with any policy of Pan American solidarity.

Fortunately, the well conceived good will trip of President-elect Hoover to various countries of the Caribbean and South America directly after his election in 1928 was an auspicious

[3] *New York Times*, Feb. 23, 1927.
[4] Ibid., April 26, 1927.

augury for a period of more friendly relations between the United States and Latin America. The excellent results of the 1929 Washington Conference on Arbitration and Conciliation which produced two conventions, providing for the settlement by arbitration of all justiciable disputes and the submission of all others to commissions of inquiry, furnished substantial proof of the cooperative attitude of the United States. The withdrawal of all marines from Nicaragua gave even more concrete evidence to our Latin-American neighbors that "Yankee imperialism" was no longer to be feared.

President Franklin D. Roosevelt was eager to continue this policy of conciliation and friendship so that the United States might enter the forthcoming Seventh Pan American Conference with a record unmarred by any word or act which might indicate a departure from a policy of sincere coöperation. The keynote of his attitude was sounded in his inaugural address when he declared that he would "dedicate this nation to the policy of the good neighbor—the neighbor who respects his obligations and respects the sanctity of his agreements in and with a world of neighbors." Secretary of State Hull was an able coadjutor to his chief in carrying out the good neighbor policy. He was able to bring about a coördinating and strengthening of inter-American peace machinery at the Montevideo Conference and he was even more successful in his efforts to break down tariff barriers in the Americas by his program of reciprocal trade agreements. The abrogation of the Platt Amendment was another important step on the road to Pan American solidarity. The crowning achievements of the Roosevelt administration were the Buenos Aires Conference which definitely established the principle of nonintervention among the republics of the Western Hemisphere and the acceptance of the forward-looking Declaration of American Principles at the Lima Conference with adequate machinery to make it effective.

The entrance of the United States into both World Wars, despite every effort to remain neutral, is conclusive proof that in the present condition of world politics no great nation can withdraw

itself from an active participation in international affairs, and yet maintain its position and prestige. This is especially true in the case of a nation that aspires to leadership in the Western Hemisphere. *Noblesse oblige* must be an important factor in the policy of great nations, just as it has been in the lives of great men; and before undertaking obligations it behooves a nation to understand clearly the responsibility it is assuming. If the policy of non-interference in European affairs permits the United States to pay little attention to European diplomacy,—and surely our participation in two World Wars has proved the lack of foresight in such a policy,—on the other hand, the Monroe Doctrine, which has heretofore been regarded as the backbone of our foreign policy, demands as an absolute condition of its maintenance, not only very careful attention to the affairs of the Latin-American republics, but also a thorough and comprehensive understanding of their problems and their policies.

The most casual study of the relations between the United States and the Latin-American republics will indicate that the great republic in the north has made until recently little effort either to understand the difficulties that have sorely tried her younger and less powerful neighbors or to study their racial characteristics and customs with the friendly appreciation necessary to good relations between states. Nor is it sufficient in a democracy where public opinion plays an important part in foreign affairs to confine knowledge of foreign policies and peoples to the select few who make up the government. Such understanding should be widespread among the peoples themselves, so that public opinion, based upon an intelligent comprehension of the facts, can act as a lever towards more friendly cooperation, rather than as a spur to jealous and rival aspirations. To bring about this better relationship, which can be accomplished only by a better mutual understanding, every possible point of contact and every avenue of approach should be utilized.

The first and most important means of understanding and knowing foreign peoples is to be acquainted with their language. Hitherto this aid to an understanding between ourselves and South America has been almost completely overlooked. Only re-

cently have our schools and colleges given Spanish the recognition long accorded German and French, and even today Portuguese, the language of the largest of all the South American states, appears in the curricula of few of our educational institutions.

It is not sufficient to know the language of a foreign country. There must be also some understanding of that country's history, institutions, government, and policies. It must be confessed that until recently the educational institutions of the United States have done very little to stimulate interest in these aspects of Latin America. A glance at the courses of study announced by the various institutions and colleges of the United States in recent bulletins still indicates the scant attention paid to Latin-American history and affairs. When our great colleges and universities manifest so little interest in bringing Latin-American affairs to the attention of their students, it is not surprising that in the secondary schools even less interest is shown. As a consequence, the ignorance of the ordinary well educated American citizen concerning all things south of the border is veritably limitless.

Undoubtedly there has been a remarkable increase in the attention devoted by the average American citizen to European and Asiatic affairs during the past few years; but the affairs of the great nations of Latin America, with which his real interests are far more closely related, have not yet been brought to his attention for the consideration which they merit. Before we can expect to interest the American public in the problems and policies of its neighbors on the south, an educational campaign must be waged which will give the people some conception of the actual situation in the great Latin-American republics. Surely a proper realization of the importance of maintaining cordial relations between the United States and South America did not exist in the mind of the American business man who wrote to the United States legation in Buenos Aires to inquire whether the shops there used glass in their windows.[5] If this Denver merchant had realized that Buenos Aires was approximately seven times as large as his own city, and was the capital of a country that did business to the amount of more

[5] C. H. Sherrill, *Modernizing the Monroe Doctrine* (New York, 1916), p. 17.

than a billion and a quarter dollars at the time, he would not have wondered whether the South Americans had yet reached the stage of civilization in which they were no longer content to use oil-paper for their windows.

A well known South American commercial authority has declared that the great work of Pan Americanism can be accomplished only if based upon close commercial relations, which are the proper foundations for continental harmony in America.[6] The first World War gave the United States a marvelous opportunity to seize the position long held by Great Britain as the leading trader with the South American republics, and we were not slow to take advantage of the situation. Between 1913 and 1920 the commerce of the United States with Latin America showed a gain of about 400 per cent.

This supremacy brought about by Europe's misfortune and the liberal Underwood tariff of 1913 was seriously jeopardized, however, by the depression years and the super-protective Hawley-Smoot tariff act of 1930. Although after the first World War the United States had set the pace in the race towards economic nationalism, we finally learned that tariff walls keep domestic products within as well as foreign products without. Our foreign customers not only adopted equally high tariffs, but invented new devices such as quotas, exchange control systems, clearing and compensation agreements, government import monopolies to strangle import trade. The trade of the United States with the Latin-American countries which had increased by leaps and bounds during the first World War and had been maintained at a high level until 1930 suffered a disastrous decline. Exports from the United States to Latin America dropped from $911,749,000 in 1929 to $215,944,000 in 1933, and the imports of the United States from Latin America fell from $1,014,127,000 in 1929 to $316,040,000 in 1933. Nor could we allege the depression as the sole cause, inasmuch as the relative share of this trade going to Great Britain, Italy, Brazil, and Japan had materially increased.

[6] N. Pinheiro, "Pan-Americanism and the Commercial Expansion of the United States," in the *Pan American Magazine*, Vol. XXXI (July, 1920), p 103.

The administration of Franklin Roosevelt, pledged to a policy of economic rehabilitation, was able to persuade the Congress to pass the Trade Agreements Act of June 12, 1934. The excellent results of the new liberal commercial policy were soon evident. The first of the bilateral reciprocity trade agreements was signed with Cuba on August 24, 1934, whereby mutual tariff concessions were made on a wide range of subjects. Trade statistics vividly and accurately tell the story of the beneficial results. The total trade between the two countries in the four months September to December, inclusive, of 1933, amounted to $29,000,000. During the same period of 1934, the first four months of the operation of the new treaty, trade jumped to $65,000,000, an increase of one hundred and twenty-five per cent. The success of the Cuban agreement stimulated the speedy completion of others. During the year 1935 four more reciprocity trade agreements with Latin-American republics were signed, namely, with Brazil, Haiti, Colombia, and Honduras. During 1936 similar agreements were signed with Nicaragua, Ecuador, Guatemala, and Costa Rica. In 1937 an agreement was signed with El Salvador and another with Venezuela in 1938. In 1939 negotiations were begun with Argentina, but the agreement, the first comprehensive commercial treaty between the two countries since 1855, was not signed until 1941. The war situation of 1942 encouraged even closer commercial relations in the Americas, and Peru, Uruguay and Mexico entered into trade agreements with the United States bringing the total number to fifteen.

The success of the trade agreements program was so clearly manifest that the act was renewed three times by the Congress to continue in force until 1945. The statistical record of the total foreign trade of Latin America during the past few years indicates that a determined drive had been instituted on the part of Germany, Great Britain, and Japan for a greater share in these markets, but that up to date the strong position of the United States has not been seriously undermined. The effectiveness of the reciprocal trade agreement program and the general friendliness engendered by the good neighbor policy have been invaluable assets to the

United States in maintaining its excellent trade position against ever keener competition.[7]

Any renewal of an arbitrary interpretation of the Monroe Doctrine will continue to be a stumbling-block to our commercial expansion. We must realize that South America no longer either needs or desires our protection, except as we may coöperate with her to protect the mutual interests of the two Americas. Furthermore, this coöperation must be upon terms of equality, an equality that will be achieved only when an interchange of ideas, knowledge, and sympathy shall supplement commerce in products and exchange. President Wilson expressed this fact in most happy phraseology in his address before the Southern Commercial Congress at Mobile: "It is a very perilous thing to determine the foreign policy of a nation in the terms of material interest. It is not only unfair to those with whom you are dealing, but it is degrading as regards your own actions. Comprehension must be the soil in which shall grow all the fruits of friendship." [8]

Many methods and agencies have been employed to bring about this mutual sympathy and understanding. One of the most effective has been a series of Pan American conferences and congresses. The idea underlying these conferences was put forth by Bolívar in 1824, when, as the head of the Republic of Peru, he suggested that representatives of the independent states of America meet at Panama, with the object of establishing "certain fixed principles for securing the preservation of peace between the nations of America, and the concurrence of all those nations in defense of their own rights." [9] This conference took place two years later, but only four governments participated—Peru, Colombia, Central America, and Mexico. Owing to the cordial support of the idea by Henry Clay, then Secretary of State, President John Quincy Adams appointed two plenipotentiaries for the United States. Strong opposition developed in Congress, however, and the neces-

[7] See Howard J Trueblood, "Trade Rivalries in Latin America," *Foreign Policy Reports*, Vol. XIII, No 13 (Sept 15, 1937).

[8] E E. Robinson and V. J. West, *op. cit.*, p. 200.

[9] *International American Conference, Senate Executive Document No. 232*, 51st Cong., 1st sess , Part IV, Vol IV, p. 155.

sary appropriations were not made in time to enable our delegates to take part.[10] Although a number of excellent agreements and proposals were signed, the times were not yet ripe for employing arbitration and mediation in the settlement of international disputes, and the conference had no tangible results.

Nevertheless when, one hundred years later, the Republic of Panama invited representatives of the states of the Western Hemisphere to join with her in the Panama Congress of 1926 to further the ideals fostered by the great *Libertador,* one of the most interesting items on the agenda was the consideration of Bolívar's project of a league of nations for the states of the new world.

Bolívar clearly saw how advantageous it would be if the nations could get together in conference at regular intervals, not only to become better acquainted, but also to settle the various disputes that were bound to arise between them. He therefore suggested an amphictyonic assembly of plenipotentiaries empowered to use good offices, mediation or arbitration. It was to negotiate treaties for the preservation of peace and interpret treaties when difficulties arose. In fact it had many elements of likeness to the Council and Assembly which were to function later at Geneva.

But not only did Bolívar see the need of providing machinery to settle disputes. He believed that it was even more important to eliminate causes of friction. Therefore he constantly urged the guarantees of territorial integrity upon the basis of the *status quo.* He also realized the dangers of secret alliances with foreign powers and urged that they be forbidden except when accepted by all members of the confederation. Friendly intercourse and the elimination of economic and political barriers were regarded as prerequisites of effective coöperation. Even social problems were not overlooked, and provision was made for the complete extirpation of the African slave trade. Finally, the sanction of force was made available as a last resort, and careful consideration was given to effecting the best possible coöperation in times of emergency.

[10] For an interesting discussion of the reasons for the failure of American participation see J. B. Lockey, *Pan-Americanism. Its Beginnings* (New York, 1920), pp. 313-316; for the attitude of the United States, *ibid.,* Chap X.

Looking back today, we are compelled to admire the sheer audacity of Bolívar in attempting to give the states of the western hemisphere an international law for their mutual relations almost simultaneously with the establishment of their internal governmental organizations.[11]

The next serious attempt to bring about a joint conference of the independent nations of North and South America was initiated by the United States. On November 29, 1881, James G. Blaine, Secretary of State, invited the governments of all the independent states of the two continents to send representatives to Washington to participate in a congress "for the purpose of considering and discussing the methods of preventing war between the nations of America."[12] However, as the War of the Pacific (between Chile and Peru) was still in active progress, the conference did not take place until 1889. President Cleveland had been authorized by Congress in 1888 to issue a call to all the independent Latin-American countries to send representatives to meet at Washington; but President Harrison had the honor of inaugurating the First International American Conference. All the independent republics except the Dominican Republic were represented, and Mr. Blaine, who once more held the office of Secretary of State, was chosen to preside. The program outlined for consideration was an extensive one, and included measures tending to promote peace and prosperity, the establishment of uniform customs regulations, a uniform system of weights and measures, laws for the protection of patents, copyrights, and trademarks, and the formulation of a definite plan of arbitration for the settlement of all disputes among the American nations. One of the noteworthy agreements of this congress was to incorporate into American international law the principle of arbitration as a means of settling disputes among the American nations. But the governments were not yet ready to go so far as their representatives.

Of more practical importance was the establishment of the Bureau of American Republics, devoted to the encouragement of

[11] G. H. Stuart, "Simon Bolívar's Project for a League of Nations," *Southwest Polit. and Soc. Sci. Quar.*, Vol. VII (Dec., 1926), p. 238.

[12] *Int. Amer. Conf., loc. cit.*, p. 256

Pan American commerce, friendship, and peace. This international organization, which since 1910 has been known as the Pan American Union, is maintained by the twenty-one American Republics, and is controlled by a governing board composed of the Secretary of State of the United States and the diplomatic representatives in Washington of the twenty other American nations. It is administered by a director-general and an assistant director-general, chosen by this board. It collects, compiles, and distributes information of all sorts regarding the commerce, laws, progress, and general development of all the American republics. It also acts as a permanent commission of the international conferences of the American states, to keep their records and archives, to assist in obtaining ratification of treaties and conventions as well as compliance with the resolutions adopted, and to prepare the program and regulations of each conference.[18] Its *Monthly Bulletin,* published in English, Spanish, and Portuguese, and superbly illustrated, is a veritable storehouse of information concerning the conditions, possibilities, and latest development of the Pan American republics. The Union also publishes special reports and pamphlets containing information on various subjects of practical value. It has a well equipped library containing more than ninety thousand volumes, and is especially rich in official documents of the various republics. It is housed in a magnificent building costing more than a million dollars, the greater part of which was contributed by Andrew Carnegie. Under the able management of its former director-general, John Barrett, who resigned in 1920 after fourteen years of service, the Union did a great work towards Pan American understanding and peace. In its present director-general, Dr. Leo S. Rowe, who has already served some twenty-two years, the Union has a man peculiarly well equipped to continue its work and enlarge the scope of its influence.

With the success of the First International American Conference so clearly manifested, it was to be expected that other conferences would be called to enlarge upon and follow up its work.

[18] For summary of functions see Art. II of *Resolution on Organization of Pan American Union, Report of Del. of U. S. A. to Fifth Int. Conf. of American States* (Washington, D. C., 1924), p. 125.

The second conference was summoned in October, 1901, at the suggestion of the United States and Mexican governments. Its sessions were held in Mexico City. Perhaps its most important result was that all the American nations became parties to the Hague Convention of 1899 for the pacific settlement of international disputes.[14] The third conference met at Rio de Janeiro in 1906, and Elihu Root, who as Secretary of State of the United States was making an official tour of South America, represented the United States. His speech at this conference remains one of the greatest expositions of the vital need of a mutual and sympathetic understanding among the American nations. The entire speech is worthy of quotation, but the following sentences indicate his message:

"No nation can live unto itself alone and continue to live. Each nation's growth is a part of the development of the race. . . . There is not one of all our countries that can not benefit the others; there is not one that will not gain by the prosperity, the peace, the happiness of all. . . . We wish for no victories but those of peace; for no territory except our own; for no sovereignty except the sovereignty over ourselves." [15]

The Fourth International American Conference assembled at Buenos Aires on July 12, 1910. All the American republics were represented except Bolivia, and one of the honorary presidents was Philander C. Knox, Secretary of State of the United States. The conference took up and debated an extensive list of subjects, and adopted a number of important conventions and resolutions. Among the most noteworthy were resolutions relating to patents, trademarks, and copyrights; extending the existence and powers of the Pan American Railroad Committee; providing for the encouragement of steamship communication between the republics of the American continent; providing for the exchange of professors and students between the universities of the American continent; recommending the uniformity of consular documents and custom-house regulations; and, finally, providing for the estab-

[14] *Second International American Conference, Senate Document No. 330,* 57th Cong., 1st Sess.

[15] *Third Int. Amer. Conf, Senate Document No 365,* 59th Cong., 2nd Sess.; Elihu Root, *Latin America and the United States* (Cambridge, Mass., 1917), p. 6.

lishment of a section of commerce, custom-house, and statistics in the Bureau of American Republics, which was to be known henceforth as the Pan American Union.[16]

Between the Fourth and Fifth International American Conferences many vital changes had occurred affecting the relations both between the Latin-American nations and the United States, and between the Latin-American nations and Europe. All of the Latin-American republics except Mexico, Ecuador, and the Dominican Republic[17] had become members of the League of Nations, and Latin America was well represented both on the Council and in the World Court. Where formerly the conferences had limited their discussions almost entirely to problems of a social and economic character, the agenda of the fifth conference included certain rather delicate political questions. In addition to problems of agriculture, commerce, transportation and health, one noted such subjects as the codification of international law, the reduction of military and naval armament, measures tending to bring about a closer association of the American republics, and questions arising out of the encroachment by a non-American power on the rights of an American nation.[18]

When the conference opened in Santiago, Chile, on March 25, 1923, Mexico, Peru, and Bolivia were found to be unrepresented, Mexico because of her failure to obtain the recognition of the United States, and Peru and Bolivia because of the failure to settle the Tacna-Arica dispute. The American delegation headed by Henry P. Fletcher, and including Senator Kellogg, who subsequently became Secretary of State, and Dr. L. S. Rowe, director-general of the Pan American Union, found itself entrusted with the rather difficult task of averting drastic action on the part of the smaller Latin-American states in regard to the reorganization of the Pan American Union and a clarification of the Monroe Doctrine.

As regards the reorganization of the governing board of the

[16] *Fourth Int. Amer. Conf., Sen Doc. No. 744,* 61st Cong., 3rd Sess.

[17] The Dominican Republic was admitted to the League in 1924, Mexico in 1931, and Ecuador in 1934.

[18] *Report of Delegates of U. S. A. to 5th Int. Conf. of Amer. States* (Washington, D. C., 1924), Appendix I.

Pan American Union, a separate organization was proposed to consist of representatives other than the regularly accredited diplomatic agents of the American republics at Washington, a body which might ultimately become the council of an American League of Nations. The United States opposed this idea but conceded that states not possessing diplomatic representation at Washington should be represented on the governing body of the Union by special representatives.[19] It was also agreed that henceforth instead of the Secretary of State of the United States acting *ex officio* as chairman of the governing board, the latter would elect its president and vice-president.

The conference sidestepped action on a specific interpretation or a joint sanction of the Monroe Doctrine, to neither of which the United States would subscribe, by adopting an innocuous resolution entrusting to the Governing Board of the Pan American Union "the task of studying the bases . . . relative to the manner of making effective the solidarity of the collective interests of the American continent." [20]

Although the committee on the limitation of armament recommended the limitations of the Washington Conference of 1922 as to tonnage of capital ships and airplane carriers and caliber of guns thereon, of greater importance was the work of the committee in securing the adoption of a convention generally known as the Gondra Treaty for the investigation of disputes between American states by a commission of inquiry modeled upon those set up by the Hague Conventions and the Bryan treaties. Señor Augustin Edwards, president of the conference, has been quoted as regarding this treaty as "the most important ever signed on the American continent for the promotion of peace." [21]

Opinion seems to differ radically as to the real success of the conference. Certainly as regards cooperation along non-political lines, as much if not more progress was made than in any of the

[19] This change was incorporated in Article V of the Resolution on the Organization of the Pan American Union adopted by the Conference.

[20] *Report of Delegates of U. S. A. to 5th Int. Conf. of Amer. States*, Appendix XII.

[21] G. H. Blakeslee, *The Recent Foreign Policy of the U. S.* (New York, 1925), p. 143.

previous conferences. Conventions for the protection of trade-marks, the publicity of customs documents, and on uniformity of nomenclature for the classification of merchandise were adopted. The Hague Convention for the suppression of the drug traffic was approved, simplification of passports and visas and their ultimate elimination recommended, and closer coöperation for stamping out disease resolved upon. But whenever political issues were discussed there was noticeable throughout the conference a marked antagonism toward the United States, particularly on the part of the smaller states in the Caribbean area. For the first time in such a gathering the long smoldering fears of American imperialism were given free expression. Nevertheless, although the United States did not escape open criticism, the very fact that frankness prevailed relieved the tension to a considerable extent and made for results of a more lasting character.

The Sixth International American Conference met from January 16 to February 20, 1928, in Havana, Cuba. It came at a time when the United States was being harshly criticized throughout Latin America for its intervention in Nicaragua. President Coolidge, as a special honor to Cuba on the thirtieth anniversary of her independence, as well as to placate Latin America, made a hasty trip to Havana, in order to proclaim in person the friendliness of the United States towards all Latin America. Delegates from all the Latin-American countries including Mexico and Nicaragua were present. To make the gesture of friendship the more emphatic the most eminent delegation ever sent by the United States to an international conference was chosen to represent us. Headed by former Secretary of State Hughes, it included Henry P. Fletcher, former ambassador to Chile, Mexico, and Belgium, and at the time to Italy, ex-Senator Oscar W. Underwood, Dwight W. Morrow, Ambassador to Mexico, Dr. James Brown Scott of the Carnegie Endowment, President Ray Lyman Wilbur of Stanford University, and Dr. L. S. Rowe, Director-General of the Pan American Union.

Although on the surface the agenda of the Sixth Conference [22]

[22] *Sixth International Conference of American States, Special Handbook for the Use of Delegates* (Pan American Union, Washington, D. C., 1927).

seemed to have avoided all contentious political subjects, the proposal to establish the Pan American Union upon a conventional basis instead of the hitherto less formal basis of successive resolutions offered the Latin-American delegates an opportunity to try to curb the over-preponderant influence which it was claimed the United States exerted both on the governing board and in the administration of the Union. Projects for the codification of international law for the American continent placed the United States on the defensive in regard to such questions as intervention, recognition, and the equality of states.

While a felicitous speech of generalities by President Coolidge indicated a keen desire on the part of the United States to inspire confidence and good will,[23] an address made by Mr. Hughes before the United States Chamber of Commerce in Havana made an even more favorable impression, owing to its frank reference to Nicaragua and Haiti.

Asserting that the first pillar of Pan Americanism was independence, Mr. Hughes declared it to be the firm policy of the United States to respect the territorial integrity of the American republics. But the second pillar was stability and the United States desired to encourage stability in the interest of independence. Her entrance into Santo Domingo and withdrawal upon the establishment of a stable government proved it. "We would leave Haiti at any time that we had reasonable expectations of stability. . . . We are at this moment in Nicaragua; but what we are doing there and the commitments we have made are at the request of both parties and in the interest of peace and order and a fair election. We have no desire to stay. We entered to meet an imperative but temporary exigency; and we shall retire as soon as possible." [24]

The conference decided that all sessions, both plenary and full committee, should be open to the public—an innovation. The United States accepted the Mexican-Peruvian proposal for governmental reorganization of the Pan American Union to permit each nation to decide whether a special delegate or its diplomatic rep-

[23] *United States Daily*, Jan. 17, 1928.
[24] *United States Daily*, Feb 4, 1928.

resentative should be employed. An additional proposal for the regular rotation of the Chairman, Vice Chairman and Director-General was defeated, however, the conference agreeing that the Director-General should attend the conference as an *ex officio* member instead of as a member of one delegation, and his expenses should be paid pro rata by all the member states.

A cause of serious disagreement came when the committee on codification of international law discussed the third article of the project concerning the existence, equality, and recognition of states. This article declared that "no state may intervene in the internal affairs of another." [25] With the American marines actively engaged in the pursuit of Sandino in Nicaragua the subject was of more than academic interest. The United States disputed the correctness of the rule, making a distinction between political intervention for permanent possession, and temporary interposition for humanitarian or other limited purposes. Furthermore its inclusion in a code would be futile since it was contrary to the accepted practice of international law. The sixth conference agreed to adopt obligatory arbitration for the settlement of justiciable disputes, and provided for an arbitration and conciliation conference to be held at Washington within the next year to draw up a collective Pan American arbitration convention which should outlaw aggressive warfare in the Western Hemisphere.

In the questions of a less political nature the conference was able to make a signal progress. The excellently drawn code of private international law prepared by Dr. Bustamente was approved, an aviation convention for the regulation of aircraft communication between the American republics was accepted, with a reservation to the effect that special arrangements between any two states for reciprocal convenience might be permitted provided it impaired in no respect the rights of other parties to the convention. The amendment permitted the United States to make special arrangements for the protection of the Panama Canal.

The treaty on the rights and duties of neutrals in the event of war which placed belligerent submarines under the same rules as

[25] *International Commission of Jurists—Public International Law Projects* (Pan American Union, 1927), p. 8.

other vessels of war in visit and search, and subjected armed merchant vessels to the rules of neutrality in respect to the time for remaining in port, coaling and provisioning, was approved. Treaties placing aliens abroad on the same footing as nationals and establishing the right of asylum were signed although the United States entered a formal reservation to the latter. The copyright convention was revised and recommendations made for an inter-American automobile highway extending from Canada to Patagonia, for a Pan American railway, better river navigation and improved cable, telegraph, and radio communications. A Pan American pedagogical congress was agreed upon, as well as the creation of a Pan American institute of geography and history.

The Havana Conference from many points of view was unique. Political questions which hitherto had been completely eliminated from the agenda were brought up and discussed frankly without fear or favor. The United States made every effort to explain its position of *primus inter pares* and owing to the excellent choice of its representatives was remarkably successful. Every Latin-American state was represented, and at the conclusion of the conference their representatives could leave with the assurance that they had at last come into their own as equal participants in the fraternity of American nations.[26]

Supplementing the Havana Conference by which it was authorized, the Conference of American States on Conciliation and Arbitration met at Washington on December 10, 1928. With the exception of Argentina, all the independent American states were represented. Secretary of State Kellogg and ex-Secretary of State Hughes acted as delegates for the United States. Two treaties were signed at this conference, one on arbitration and the other on conciliation.

The general treaty of inter-American arbitration has been called one of the most advanced multilateral arbitration pacts ever concluded. It followed the Kellogg-Briand Pact in its general form, condemned war as an instrument of national policy, and provided for settlement of all justiciable questions by arbitration. Only two

[26] For a complete summary of accomplishments see *United States Daily*, Feb. 21, 1928.

subjects were excluded—domestic questions and questions concerning third states. Any existing international tribunal might be used or a special one set up.

The general convention of international conciliation was based upon the Gondra Treaty of 1923. It retained the commissions of inquiry of that treaty, but gave them also the character of commissions of conciliation. It covered all controversies between states not settled by diplomacy, it defined the procedure to be used and made it arbitrary, it set up permanent bodies at Washington and at Montevideo to bring about conciliation, and it approved the right of any state to offer mediation.

These two treaties, which seemed to provide for the settlement of any dispute which might arise between the states of the Western Hemisphere, were signed by all the states present. Before the seventh international conference met in Montevideo in 1933 a large majority of the twenty-one Republics had ratified one or the other of these conventions, and ten states, including the United States, had ratified both.[27]

Despite the tragic failure of the Geneva Disarmament Conference and the London Economic Conference of 1933, the Republics of the Western Hemisphere were unwilling to postpone the meeting of the Seventh Pan American Conference scheduled to convene at Montevideo December 3, 1933. Not only were all American Republics represented, half of them by their ministers of foreign affairs, but also, for the first time, it was proposed to admit official observers from Spain, Portugal, and the League of Nations to the sessions of the conference. Action on this radical change in the organization of the conference was postponed to the eighth meeting, however. An eminent delegation from the United States, headed by Secretary of State Hull, included J. Reuben Clark, former Ambassador to Mexico, Alexander W. Weddell, Ambassador to Argentina, and J. Butler Wright, Minister to Uruguay, all outstanding authorities on Latin-American affairs.

In his address of welcome President Terra of Uruguay declared

[27] *The American Year Book*, "Latin-American Relations," by Graham Stuart (New York, 1929), p. 37. See also *Foreign Policy Reports*, "The Pan-American Arbitration Treaty," Vol. V, No. 18 (Nov. 19, 1929).

that "the American ideal of peace must not be buried in the swamps of the Chaco." Yet thousands of Bolivian and Paraguayan soldiers had already been slaughtered and buried in the swamps of the Chaco and thousands of others faced the same fate. The problem was complicated by the fact that since a Commission of American Neutrals and an ABC Peru Commission had both failed to bring about a settlement, a League of Nations Commission was now engaged in trying to work out a solution. For this reason, the United States and Brazil,[28] both non-League powers, were unwilling to bring the Chaco dispute, which was not on the agenda, into the conference. But, when it could not be avoided, the conference prevailed upon Bolivia and Paraguay to declare a truce for the period of the conference. It also passed a resolution submitted by Secretary Hull urging both peoples to accept judicial processes for the settlement of their dispute, as recommended by the League of Nations Commission. As a concrete suggestion the conference adopted an Argentine proposal that, contingent upon the approval of the League Commission, a conference be held at Buenos Aires including the ABCP powers, as well as the two disputants, to settle the Chaco question by considering the economic and geographic problems of Bolivia and Paraguay.

The principal achievement of the conference was the coördinating and strengthening of inter-American peace machinery. Before the Montevideo conference opened, all of the Latin-American states except Argentina and Bolivia had ratified the Gondra Conciliation Treaty concluded at the Santiago conference in 1923. Less than half of the states had ratified the arbitration and conciliation treaties of 1929. All but five had accepted the Kellogg-Briand Pact and all but four had joined the League of Nations. In an effort to establish a standard method of procedure for the settlement of disputes in the Western Hemisphere, Foreign Minister of Argentina, Saavedra Lamas, had drafted a Latin-American anti-war pact, modeled upon the Pact of Paris. In addition to outlawing wars of aggression and compelling a settlement of disputes by legal means, it outlawed aggression in settling territorial questions and followed the Hoover-Stimson doctrine of nonrecog-

[28] Brazil had withdrawn from the League in 1928.

nition of territorial changes brought about by force. As a sanction the signatory powers agreed to exercise the political, judicial, and economic means authorized by international law, as well as the influence of public opinion, "but in no case shall they resort to intervention, either diplomatic or armed." Although the United States had previously refused to adhere, at the conference Secretary Hull agreed to sign the Argentina anti-war pact and also supported the proposal of Argentina and Chile to consolidate the peace machinery by having non-signatory powers sign the five peace pacts available to Latin-American states.

Having accepted the policy of non-intervention as an essential feature of the Argentina anti-war pact, Secretary Hull went even further and categorically declared: "The United States Government is opposed as much as any other to interference with the freedom, sovereignty or other internal affairs or processes of the governments of other nations. . . . No government need fear intervention on the part of the United States under the Roosevelt administration." The permanent acceptance of these policies by the United States would write the obituary of both the Monroe Doctrine and the Platt Amendment. In fact, before the conference ended, the United States delegation accepted with explanatory reservations a convention on the rights and duties of states wherein it was agreed "no state has the right to intervene in the internal or external affairs of another." [29]

In regard to tariffs and currency stabilization, Secretary Hull took the lead in recommending a plan for reducing tariffs through the negotiation of bilateral or multilateral reciprocity treaties. As proof of its earnest intent the United States signed a reciprocity treaty with Colombia on December 15, the first of its kind since 1902. The conference voted to hold a Pan American financial conference at Santiago, Chile, in 1934, when stabilization of currency and all other thorny financial problems might be placed on the agenda.

With these political subjects out of the way, the conference had little difficulty in obtaining agreement upon questions of a tech-

[29] Article 8 of Convention on Rights and Duties of States, ratified by the U. S. June 29, 1934.

nical, social, or cultural nature. A general extradition treaty was signed, binding for the first time all American countries and standardizing procedures. In a comprehensive resolution, the conference established the procedure for carrying on the future work of codifying international law and provided for a juridical section of a purely administrative character in the Pan American Union. A general convention on nationality clarified the allegiance of the individual as to nation of origin, status of inhabitants in the case of transferred territory, and the effects of matrimony or its dissolution upon the nationality of husband, wife or children.

Anyone who studies impartially the development of Pan American relations since the establishment of these conferences must appreciate their cumulative value. To sum up the achievements of the Montevideo Conference: it effected an armistice in the Chaco, strengthened and correlated the peace machinery of the Americas, it took a practical step towards better trade relations and enhanced the standing of the United States as a good neighbor.

In his opening speech to the United States Congress on January 3, 1936, President Roosevelt declared that "at no time in the four and a half centuries of modern civilization in the Americas had there existed, in any year, any decade or any generation, in all that time, a greater spirit of mutual understanding, of common helpfulness and of devotion to the ideals of self-government than exist today in the twenty-one Republics. . . . This policy of the 'good neighbor' among the Americas is no longer a hope—it is a fact, active, present, pertinent and effective." To give further concrete illustration of his intention to continue this policy, President Roosevelt on January 30 sent personal letters to the presidents of the other American republics proposing that an extraordinary inter-American conference be summoned to meet in Buenos Aires to determine how the maintenance of peace among the Americas might best be safeguarded. As a tentative suggestion to this end he proposed that the conference give attention to: the prompt ratification of existing peace agreements; their amendment in accordance with experience; the creation of new instruments of accord.

It should be noted that one of the weaknesses of existing machinery for the maintenance of peace had been the failure of certain states to ratify the agreements already signed; for example, neither of the belligerents in the destructive war in the Chaco had ratified the Inter-American Conciliation and Arbitration Treaties of 1929. A vital need to organize peace was recognized to be the consideration of measures to secure the prompt ratification of existing treaties and conventions for the maintenance of peace. It should further be noted that the republics of the Western Hemisphere were for the most part parties not only to five different treaties of a purely continental character, but to four instruments of a universal character, all designed for the maintenance of peace as well as to some half dozen declarations against war and the forcible acquisition of territory. The conference proposed to consider the possibility of coördinating these instruments and incorporating them in a single instrument.

Under the heading of economic problems an elaborate agenda was prepared. It was proposed to consider every phase of trade restriction which might hinder closer economic relations and if possible inaugurate substantial reforms. Every type of trade agreement was to be taken up, the question of the most favored nation clause, exchange control and a tariff truce.

An important subsidiary subject was the improvement of means of communication in the Western Hemisphere. It was noted that substantial progress had been made towards the carrying out of the proposed Pan American Highway system; for example, on July 1, 1936, the highway from Mexico City to Laredo, Texas, was formally dedicated after having been in use for several months. This magnificent road runs for over 750 miles from the United States border through dry plains, a subtropical jungle and towering mountain peaks to Mexico City. The paved roadway is twenty-one and a half feet wide—it required the construction of over three thousand bridges and culverts, and although it runs from practically sea level to over eight thousand feet, the whole trip can be made in high gear. A route had also been laid out from Mexico City to the Guatemalan border, and much of it had already been completed. A survey had also been made to continue this route

to Panama City. The Congress of the United States appropriated $1,075,000 during 1936 for coöperation in this project.

Of the proposed Pan American Railway running from New York to Buenos Aires, some 7,126 miles of the total 10,116 had been completed. In the ten years since international commercial aviation had begun in the Americas, the ninety-mile service from Key West to Havana had become a service operating over 22,870 miles. In addition, there were domestic air services covering over sixty-five thousand miles.

The delegation from the United States to the Buenos Aires Conference, a large and representative one, was headed by Secretary of State Hull and included Assistant Secretary of State Sumner Welles and Alexander Weddell, Ambassador to Argentina. President Franklin D. Roosevelt showed his intense interest by being present and giving the opening address of the Conference. He urged the necessity of striving to prevent war in the Western Hemisphere by every honorable means and to avoid the creation of conditions giving rise to conflict. Although he did not mention the Monroe Doctrine he indicated that the United States was willing to participate in a multilateral agreement providing for mutual consultation in case of external aggression. He concluded his address by emphasizing the importance of satisfactory commercial relations as a fundamental bulwark of permanent peace.

Three concrete peace proposals were introduced and unanimously agreed upon. The first was a convention for the maintenance of peace. It provided that should the peace of the American republics be threatened by any source either at home or abroad, the signatory powers should consult with each other immediately with a view to coöperative action to preserve the peace of the American continent. According to Secretary of State Cordell Hull "this proposal represents the strongest assurance of peace which this continent has ever had." It should be noted, however, that a very important part of the United States proposal, namely, a permanent body consisting of the Foreign Ministers of each state to carry out the provisions, does not appear in the convention as accepted.

The second convention coördinated existing treaties for the

maintenance of peace. It repeated the obligations and pledges under the Kellogg-Briand Pact, the Inter-American Conciliation and Arbitration Treaties of 1929 and the Saavedra Lamas Anti-War Treaty. To carry out these principles the more effectively, provision was made for individual or joint offers of good offices or mediation and a reminder to the parties to a controversy of their obligations under existing treaties.

Upon threat of war the parties concerned agreed to a delay of six months for consultation before beginning hostilities. Upon the outbreak of war the signatory powers agreed to adopt a common attitude of neutrality, and in order to prevent the spread of hostilities they might impose restrictions upon the sale or shipment of munitions and upon any sort of financial assistance to the belligerents.

The third proposal was a protocol of non-intervention. According to its terms, the internal affairs of any of the parties was inadmissible of intervention by any one of them and violations should give rise to mutual consultation. The protocol reaffirmed the non-intervention doctrine adopted in Montevideo in 1933.

Two other treaties for the maintenance of peace were accepted, namely: a treaty on the prevention of controversies, and an inter-American treaty on good offices and mediation. The Conference also approved conventions on the Pan American Highway and the promotion of inter-American cultural relations. Under the last named treaty provisions have been made for the organization of a system of graduate student and teacher exchange by which, eventually, 840 students and professors will be granted fellowships by their home states for the pursuance of study in some other American country.

The Buenos Aires Conference had as its aim the maintenance of peace in the Western Hemisphere through mutual consultation and coöperative action. Consultation was the keynote of the conference, and the conventions were pitched accordingly. The United States, by definitely giving up the right of intervention, had finally agreed to the position of equality in the commonwealth of nations of the Western Hemisphere. The conference marked

the completion of another important link on the good neighbor highway.

As the world's political conditions became ever more critical the desire for still closer coöperation for peace in the Americas was strengthened. The eighth Pan American Conference which met in Lima, Peru, December 9, 1938 afforded this opportunity. The agenda included plans both for an American League of Nations and a Pan American Court of Justice. "Hemisphere defense" was the keynote of the Conference.

The United States delegation of twelve was headed by Secretary of State Hull and included Assistant Secretary of State Berle, Ambassador to Peru Steinhardt, Minister to the Dominican Republic Norweb and Chief Justice Cuevas of the Puerto Rican Supreme Court.

In spite of the opposition of Argentina it was quickly evident that the American Republics were determined to take further steps toward strengthening the machinery for continental defense. Although the idea of an American League of Nations was discarded, the twenty-one states finally agreed to support a project of American coöperation which was designated by the conference as the Declaration of Lima. This Declaration reaffirmed the principle of continental solidarity and the decision to defend it against all foreign intervention. In case the peace, security or territorial integrity of any American republic should be threatened it was agreed to make effective this solidarity by consultations as established by conventions in force. To facilitate such consultative action the Declaration provided that "the Ministers of Foreign Affairs of the American republics, when deemed desirable and at the initiative of any one of them, will meet in their several capitals by rotation . . ." [80]

By this Declaration a definite procedure of consultation was established which could be quickly utilized in an emergency. It was signal success for Secretary Hull in his efforts to obtain unanimous action against a threat of autocratic aggression.

[80] Eighth International Conference of American States, Lima, Peru, December 9-27, 1938. *Report on the results of the Conference* (Congress and Conference Series No. 27), No. CIX, p. 92.

Perhaps the next most important result of the Conference of Lima was a Declaration of American Principles which the Governments of the American Republics proclaimed as essential to the preservation of world order under law. The substance of these principles had been presented by Secretary Hull in a statement released on July 16, 1937. Summarized, the Declaration established the following canons of international conduct: intervention and the use of force as instruments of national or international policy are proscribed; international differences must be settled by peaceful means and international law must govern relations between states; the faithful observance of treaties is an indispensable rule of international conduct and revision must be obtained by agreement of the signatory powers; intellectual and economic cooperation are essential to national and international well being and world peace can only be achieved by international cooperation based upon these principles.[31]

The Lima Conference established a precedent by not signing a single treaty or convention. All of its projects were formulated as resolutions, declarations, or recommendations, of which 112 were accepted. As in previous conferences the majority of resolutions pertained to non-political subjects. Resolutions were approved committing the Americas to establish liberal trade practices and equality of treatment, to improve transportation and communication, to increase the exchange of professors and students, to protect Indian art, literature, language, and culture and to cooperate in various ways conducive to better relations and understandings.

Although no alliance for defense was established and no new machinery for the elimination of war was set up, the twenty-one republics of the Western Hemisphere agreed unanimously to consult and if necessary to act for their mutual defense. In the words of Secretary Hull "the American Republics have made it clear to the world that they stand united to maintain and defend the peace of this hemisphere, their territorial integrity, their principles of international relations, their own institutions and policies." [32]

[31] *Ibid.*, No. CX, p. 93

[32] U. S. Department of State, *Press Release*, Vol. XX, No. 485 (January 14, 1939), p. 33.

The nations who subscribed to the Declaration of Lima little expected that in less than a year they would be called upon to give effect to its basic principles. Yet when on September 3, 1939, Herr Hitler loosed the Nazi hordes upon Poland, the repercussion in the New World was such that the American republics unanimously agreed to consult as to a joint policy of hemisphere defense.

On September 23, 1939, the representatives of the twenty-one republics assembled at Panama City in the first Inter-American Consultative Conference of Foreign Ministers.[33] Undersecretary of State Sumner Welles who headed the delegation of the United States well expressed the sentiments of the Conference when he characterized it as "a meeting of American neighbors to consider in a moment of grave emergency the peaceful measures which they may feel it wise to adopt . . . so as best to insure their national interests and the collective interests of the nations of the New World." [34]

Well realizing that the Latin American republics would be faced with serious economic and financial adjustments as a result of the war, Mr. Welles promised full maintenance of adequate transportation facilities between the United States and Latin America, and that the United States would make available such long and short term credits as would appear necessary, and would cooperate to prevent fluctuations in exchange.

The most important problem was the security of the Western Hemisphere and the Conference faced it resolutely. A general declaration of neutrality of the American republics was adopted which not only included the generally accepted canons of conduct as to neutral rights and duties, but added several of special application to the Western Hemisphere. The American republics might bring together and place in a single port under guard belligerent merchant vessels which had sought refuge in their waters. Bona

[33] *Report of the Delegates of the United States of America to the Meeting of the Foreign Ministers of the American Republics held at Panama September 23–October 3, 1939* (Department of State, Publication No. 1451, Conference Series 44).

[34] *Department of State Bulletin*, Vol. I, No 14 (September 30, 1939), p. 299.

fide transfers of flags of American merchant vessels in American waters were permitted. Defensive armament on merchant vessels was conceded, but belligerent submarines could be excluded from the territorial waters of a state.

The most original and drastic action of the Conference was a joint resolution entitled the Declaration of Panama whereby the American Republics declared that, so long as they were neutral, they were, as of inherent right, entitled to have those waters adjacent to the American continents free from the commission of any hostile act by a non-American belligerent. A remarkable feature of the resolution was the promulgation of a protective zone approximately 300 miles wide encircling the continents south of Canadian territorial waters. The resolution contemplated no extension of the three-mile marginal sea but rather an extension of the adjacent waters as a zone free from belligerent activities as an essential means of self-protection.[35]

As might have been expected violations were not long in materializing. The scuttling of the *Graf von Spee* by the Nazi captain in Uruguayan territorial waters, December 13, 1939, and various sinkings by the British within the protective zone brought about a joint protest through the President of Panama on December 23, 1939. Great Britain, France, and Germany were advised that consultations were being carried out looking towards penalizing future violations by forbidding access to supplies or repairing of damages in American ports to belligerents guilty of the commission of warlike acts within the security zone.[36]

With a view to studying further the problems of neutrality, the Conference authorized the Governing Board of the Pan American Union to set up an Inter-American Neutrality Committee of seven experts for the duration of the war. This committee met at Rio de Janeiro and, on April 27, 1940, set forth a lengthy recommendation which in substance favored the maintenance of the Security Zone as an open sea for the commercial traffic of every state but prohibited any sort of belligerent act within the Zone.[37]

[35] *Report of the Delegates, etc*, p 62.

[36] *Department of State Bulletin*, Vol I, No. 26 (December 23, 1939), p. 723.

[37] Pan American Union, *Decrees and Regulations on Neutrality, Supp. No. 2* (Law and Treaty Series No. 14), pp. 38-48.

Another important result of the Panama Conference was the setting up in Washington on November 15, 1939 of the Inter-American Financial and Economic Advisory Committee consisting of one expert representing each of the American republics. The Committee's function was to establish a program of coöperation between the American republics to protect their economic and financial structures, maintain their fiscal equilibrium, safeguard the stability of their currencies, and develop their industries and commerce.

The second meeting of ministers of foreign affairs of the American republics convened in Havana, Cuba from July 21 to 30, 1940.[38] The meeting was called to meet the threat of Nazi aggression in the Western Hemisphere through the possible seizure of Dutch, Danish and French colonies following the subjugation of the mother countries. Agreement was quickly obtained to cover any such possible contingency. Condemning violence in every form and refusing to recognize force as a basis of rights, the American republics refused to accept any transfer or attempt to transfer any interest or right in the Western Hemisphere. In the case of such an attempt thus threatening the peace of the continent, provision was made for the taking over and the provisional administration of such a region by an Inter-American Commission of Territorial Administration.

A supplementary declaration known as the Act of Habana authorized the creation of an emergency committee to cover situations arising prior to the promulgation of the convention. The declaration further permitted any state in an emergency to act singly or jointly with others in any manner required by its own defense or in defense of the continent. This action was the first unanimous recognition by Latin America of the value of the principle of the Monroe Doctrine for the defense of the Americas. A number of resolutions were aimed at subversive activities, and attempted their control by restricting the political activities of foreign diplomatic and consular representatives, regulating more

[38] *Second Meeting of the Ministers of Foreign Affairs of the American Republics—Havana, July 21-30, 1940* (Department of State Conference Series 48, Publication 1575).

closely the issuance of passports, and coördinating police and judicial measures for mutual defense. The American republics were getting prepared to stand together against the totalitarian menace.

The Third Conference of Ministers of Foreign Affairs of the American republics held at Rio de Janeiro from January 15 to 28, 1942, was convened as a result of the arrival of the war in the Western Hemisphere.[89] The Japanese attack on Pearl Harbor was a flagrant act of aggression which gave the two Americas an opportunity to prove that promised coöperation meant more than high sounding declarations.

The Caribbean republics did not wait for the conference to indicate their whole-hearted support of the United States. The day after the attack on Pearl Harbor, Costa Rica, the Dominican Republic, Guatemala, Haiti, Honduras, Panama, and El Salvador declared war upon Japan and followed this within a few days with similar declarations of war against Germany and Italy. Cuba declared war on Japan on December 9, and on Germany and Italy on December 11. Nicaragua declared war on all three of the Axis powers on December 11. Thus, within four days after the United States became a belligerent, nine of the Latin American republics had joined her in the conflict.

On December 8, Mexico condemned Japanese aggression, severing diplomatic relations the same day, and with Germany and Italy three days later. Colombia broke relations with Japan December 8, and Venezuela with the three Axis powers December 31. The other Latin American republics promised to honor their obligations, refrained from regarding the United States as a belligerent and put into effect various measures to restrain Axis activities—an auspicious background for the forthcoming conference.

Under-secretary of State, Sumner Welles, who headed the American delegation, expressed the appreciation of the United States government at the declarations of solidarity and support, but he also made it clear that the only certain method of stamping

[89] *Report on the Third Meeting of the Ministers of Foreign Affairs of the American Republics, Rio de Janeiro, January 15-28, 1942* (Pan American Union, Congress and Conference Series No. 36).

out the Axis methods of poisoning inter-American intercourse was by the severance of diplomatic relations. Mr. Welles' address was well received, but it was the eloquence and idealism of Mexican Foreign Minister Padilla and the obstinacy and diplomatic acumen of Brazilian Foreign Minister Arañha which prevented the conference from foundering upon the rocks of Axis subversive activities.

A resolution sponsored by Colombia, Mexico, and Venezuela declaring that the American republics "cannot continue diplomatic relations with Japan, Germany and Italy" appeared to have unanimous support. However the Argentinian representative at first vacillated then balked, and he was supported by the representative from Chile. As a compromise, the wording of the resolution as finally voted merely "recommended rupture of diplomatic relations" as each country should determine The sentiments of the Conference were shown when Peru, Uruguay, Bolivia, Paraguay, Ecuador, and Brazil broke off relations with the Axis powers before the Conference closed.

The final act of the Rio Conference comprised forty-one declarations and resolutions. In addition to recommending severance of diplomatic relations they urged the production and exchange of strategic materials essential to hemisphere defense and the formulation of a coördinated plan for economic mobilization. Complete coördination of transportation facilities was recommended and the improvement of all inter-American communications by land, water, and air, including the construction of the unfinished sections of the Pan-American Highway. An economic boycott of the Axis powers was approved, with reservations by Argentina and Chile, and several resolutions were aimed at the combatting of subversive activities and the control of dangerous aliens. It was recommended that an Inter-American Joint Defense Board composed of military and naval technicians appointed by each government should be set up in Washington to study and recommend measures for the defense of this continent. The Board met for the first time March 20, 1942 and has functioned effectively for hemisphere defense.

The Rio Conference, although based upon idealistic principles,

was realistic in its methods and its proposals. The United States needed freedom of action, bases, and strategic materials; the Latin American republics needed protection, financial assistance, and supplies. The Conference provided for a mutually advantageous exchange.

In addition to the general periodic international conferences of American states numerous special conferences have been held, particularly since the World War, covering, among others, the fields of health, commerce, finance, transportation, agriculture, child welfare and education. Space prevents more than the most summary consideration of these congresses.

Public health and sanitary problems have particularly engaged the interests of the republics of the Western Hemisphere. The Second International American Conference of 1901 recommended the establishment of a Pan American Sanitary Bureau which was accomplished the following year. Since that time eleven international sanitary conferences of the American republics have taken place, the last held in Rio de Janeiro in September, 1942. As a result of these conferences a Pan American Sanitary Code has been promulgated and put into effect in all of the twenty-one republics. As a result of more efficient sanitary conditions, quarantine regulations have been materially liberalized throughout the Western Hemisphere. Subjects such as public health organization, vital statistics, infant hygiene, and the control of such diseases as yellow fever, leprosy, malaria, tuberculosis, and typhus fever regularly appear on the agenda. The executive agency of the conferences, the Sanitary Bureau, is housed in the Pan American Building in Washington, and publishes the Pan American Sanitary Bulletin. Since 1927 this Bureau has been the regional agency for the International Health Office in Paris.

Closely affiliated with the work of the Sanitary Conferences has been that of the four Pan American Conferences of National Directors of Health held every five years in Washington since 1926. At these conferences it has been possible to consider the technical problems of tracking down and eliminating the sources of infection. At the third conference the recently discovered jungle type

of yellow fever, the bubonic plague, typhus, malta fever, and malaria were all discussed at length. Some twenty-two resolutions covering every phase of public health were adopted. The eight Pan American Conferences on Child Welfare, the first meeting in Buenos Aires in 1916, and the eighth in Washington, D. C. in 1942 should be mentioned in passing. These conferences have considered exhaustively problems of the health, social welfare and education of the child. As Katherine Lenroot, Chief of the Children's Bureau, has aptly remarked, these conferences have met "to take counsel for America's children." On a somewhat broader front the three Pan American Red Cross Conferences which have met in Buenos Aires in 1923, Washington in 1926, and Rio de Janeiro in 1935, have been devoted largely to the problems of disaster relief, health and social assistance and public nursing.

Five Pan American commercial conferences have been held to obtain an informal but comprehensive exchange of news and information between official and unofficial commercial representatives, trade experts, businessmen and others interested in the improvement of business conditions and the development of trade. The first four of these conferences were held in Washington under the auspices of the Pan American Union. the first in February, 1911, the second in June, 1919, the third in May, 1927, the fourth in October, 1931, the fifth at Buenos Aires under the auspices of the Argentine government in May-June, 1935. These conferences have regularly supported the lowering of customs barriers and the simplification of customs, port and consular procedure, improved transportation facilities and the settlement of commercial disputes by arbitration. All twenty-one republics were present at the fifth conference and some sixty-four conclusions were approved, four in the form of conventions. These conventions related to measures for the suppression of smuggling; to the creation of Pan American commercial boards in each republic to coöperate with the Pan American Union in gathering and distributing commercial information; to the establishment of a Pan American tourist passport; and to the creation of transit facilities for airplanes operating on regularly established commercial lines.

The serious derangement of the monetary and banking situa-

tion of the various countries brought about by the first World War induced President Wilson to arrange for the first Pan American Financial Conference to meet at Washington in May, 1915. As a result of this conference an International High Commission was set up to formulate and submit drafts of treaties regarded as essential to improve commercial relations between the two Americas. At the second conference held at Washington in January, 1920, the Commission reported that excellent progress had been made in regard to uniform classification of merchandise, uniform legislation in regard to bills of exchange, checks, bills of lading and warehouse receipts, more satisfactory regulations for commercial travelers and the establishment of an international gold clearance fund. It was at the second conference that the permanent commission now known as the Inter-American High Commission was requested to study the question of a tribunal for the adjustment of disputes of a commercial or financial nature involving two or more American countries. The solution to this problem seems to have been made by the establishment, pursuant to a resolution on commercial arbitration passed by the Seventh Pan American Conference, of the Inter-American Commercial Arbitration Commission under the chairmanship of Spruille Braden of the United States. This committee is authorized to organize Inter-American Commercial Arbitration Tribunals which will function under the rules of the Commission.

It was to be expected that the subjects of transportation and communication which had received some attention in both the commercial and financial conferences, as well as in the periodic Pan American conferences, would also be the basis of more specialized treatment. Four Pan American Highway Congresses have been held, the first in Buenos Aires in 1925 and the fourth in Mexico City in 1941, a Pan American Conference on the Regulation of Automotive Traffic in Washington in 1930, and an Inter-American Technical Aviation Conference in Lima in 1937. Two Inter-American Travel Congresses have met, the first in San Francisco in 1939, the second in Mexico City in 1941.

The agricultural problems of the American republics have also been considered jointly in conference; the first Inter-American Con-

ference of Agriculture was held in Washington, D. C. in 1930 and the second in Mexico City in 1942. On March 19, 1943, President Calderón Guardia of Costa Rica and Vice President Wallace of the United States jointly inaugurated the Inter-American Institute of Agricultural Sciences in Turrialba, Costa Rica.

Perhaps the most extensive agenda subjects considered for any Pan American conferences are those of the Scientific Conferences whose aim has been "to increase the knowledge of things American and to disseminate and make the culture of each American country the heritage of all American republics." Eight of these conferences have been held, the first in Santiago, Chile, in 1907-08, the latest in Washington, D. C., in 1940. At the second conference at Washington in 1915-16 more than two hundred delegates were in attendance from the Latin-American countries and more than a thousand from the United States, making it one of the greatest international scientific meetings in the world's history.

Other Pan American conferences which might be considered under the head of intellectual coöperation have been the three meetings of the Pan American Institute of Geography and History at Rio de Janeiro in 1933, in Washington in 1935, and in Lima in 1941; and the two Inter-American Congresses on Education, the first at Havana in 1930 and the second in Santiago, Chile, in 1934.

The growing interest of the United States in Latin America has been reflected not only in the attitude of the President and State Department in official pronouncements, but also in the increased number of courses on Latin-American life and culture which have become available to students in the higher institutions of learning. The contrast in statistics is illuminating:

> Between 1931 and 1939, the number of courses dealing with one phase or another of Latin-American life and culture have more than doubled—436 in 1931; 981 in 1939.
>
> In 1939 there were 383 colleges and universities teaching such courses, as against 206 in 1931. The universities of Alaska, Puerto Rico and Hawaii are also offering opportunities for the study of Latin America.
>
> States that lead in the number of courses offered in their educational institutions: California, Texas, New York, Massachusetts, District of Co-

lumbia, Pennsylvania. State having the largest number of students: California [40]

Despite this progress in scholastic facilities, the schools must give a larger place to Latin America in their curricula, not merely in the teaching of its languages and geography, but also in the teaching of its history, literature, and political science. Increased attention to the study of foreign policy and diplomacy is especially needed in the institutions of higher learning in the United States. The Monroe Doctrine has too long been regarded as a sort of holy of holies in all questions of American foreign policy, perhaps most of all by the people who have the most hazy conceptions of what the doctrine really means. Exchange professorships and scholarships afford a most excellent means of developing a just and accurate perception of mutual values and points of view, and should be given every encouragement. Even before the Buenos Aires Conference gave impetus to the idea, the University of Chile had taken the lead in this matter, arranging exchanges of professors with the University of Washington and the University of California. In 1921 the National University of Mexico organized a summer school for foreigners, giving particular attention to courses in Mexican and Spanish-American archæology, geography, history, literature, and institutions. In the 1924 session some 250 teachers and students from the United States attended.

This movement was given additional momentum by the provisions of the cultural conventions signed [41] at the Inter-American Conference for the Maintenance of Peace: 1—Convention for the promotion of inter-American cultural relations; 2—Convention on interchange of publications; 3—Convention concerning artistic exhibitions; 4—Convention concerning the peaceful orientation of public instruction; and 5—Convention covering facilities for educational and publicity films. Intellectual coöperation, once sporadic and limited, will be organized to obtain maximum results under more ideal conditions. Annual fellowships will support

[40] *Latin American Studies in American Institutions of Higher Learning, Academic Year 1938-1939* (Washington, D. C., Division of Intellectual Coöperation, Pan American Union, 1940).

[41] All of these conventions were approved by the United States Senate on June 29, 1937, except the one on interchange of publications.

the exchange students; government funds will meet the expenses of visiting professors; thus will circulate among the Americas persons of prestige in the related realms of education, science, and technical progress.

As evidence of substantial progress in this direction the United States awarded 66 travel grants during the 1941 and 1942 fiscal years to outstanding Latin Americans for visits to the United States and 12 to North Americans to travel in Latin America. From January 1, 1940, to January 1, 1942, 27 Latin American students were received by the United States and 19 graduate students sent by the United States under the first of these conventions. About 1750 students from the other American republics were enrolled in our colleges in the academic year 1941-42.[42]

The press can play quite as important a part as the schools and colleges. The opportunities are vast and the possibilities limitless. In this connection full credit must be given to the great South American papers, such as *La Prensa* and *La Nación* of Buenos Aires, *El Mercurio* of Chile, *Jornal do Brazil,* and numerous others, which for some time have maintained special correspondents and representatives in the United States, and since January, 1919, have become members of the Associated Press.

Except for despatches carried on special occasions such as during the Montevideo and Buenos Aires Conferences, far too little attention has been given in the columns of the daily press of the United States to important events in the countries of Latin America; while, on the other hand, the great dailies of South America have shown their resentment by adopting in many cases an antagonistic and unfriendly tone in discussing items of news from the United States. Now that great journals in the United States like the *New York Times, New York Herald Tribune, Christian Science Monitor, Philadelphia Public Ledger,* and others, have opened special sections for the presentation of news and feature articles on the republics of Latin America, a great improvement may be looked for. It may also be hoped that some

[42] See *The Program of the Department of State in Cultural Relations* (Washington, D. C., U. S. Government Printing Office, 1942).

American newspaper will soon establish a South American edition, just as *La Prensa* has already established a United States edition with so much success in New York. For, as Señor Collao, publisher of the New York edition of *La Prensa,* has declared: "The daily paper is the most able resource that both the government and people can find to express their purposes and needs, and as a promoter of more friendly relations by the abolition of misunderstanding, ignorance, and prejudice." [43] A recommendation to the press and news agencies that greater interest and space be devoted to news relating to the nations of America was approved at the Seventh Pan American Conference at Montevideo.

Some mention should also be made of the periodicals devoted to Pan American affairs. There are several very excellent ones. In addition to the *Bulletin of the Pan American Union,* which has already been mentioned, special note should be made of *Panorama,* a mimeographed record of inter-American cultural events published by the Division of Intellectual Coöperation of the Pan American Union, and *Lectura,* a somewhat similar publication in Spanish put out by the same organization. The *Hispanic American Historical Review* is a scholarly publication appearing quarterly, devoted primarily to articles in the field of political, economic, social and diplomatic history of the Hispanic American countries. A few fine magazines of general interest published in Latin America might be noted: *Carteles,* a popular weekly devoted to politics and current events, published in Habana, Cuba; the modernistic *Hoy,* published in Mexico City; *Atlantida,* a beautifully illustrated monthly published in Buenos Aires; *Revista do Brasil,* Brazil's most important literary monthly; and *Atenea,* a very excellent literary monthly published in Concepción, Chile. *Sur,* while published as a leading Argentine literary magazine, has become continental in appeal, with a solid reputation outside Latin America. A well edited illustrated magazine devoted to a survey of the political and cultural relations between the United States and Latin America, *The Inter-American* began publication in May, 1942, and is a very valuable addition

[43] "Latin America in the Press of the United States," in *Report of Second Pan-American Commercial Conference* (Washington, D. C., 1919), p. 355.

to the periodical field. Mention should also be made of the Latin American editions of *Time* and the *Readers Digest,* both of which have been phenomenally successful. International Rotary now publishes an edition in Spanish, *Revista Rotaria.*

An admirable project for the extension of the movement towards a more sympathetic comprehension of the ways of the other Americans has just been launched in the series of broadcasts being sponsored by the Office of Education, Department of the Interior. A still more elaborate program of daily broadcasts in Spanish by short wave is being carried out by the Coördinator of Inter-American Affairs.

In conclusion, one further way of bringing about mutual sympathetic understanding between the two Americas may be suggested, namely, increased travel for pleasure and sightseeing by the people of the Americas in the countries of their neighbors. Let the phrase, "See America First" be changed to "See the Americas First." No better means of increasing transportation facilities can be imagined than a passenger-carrying trade that demands it. Both continents contain natural scenic wonders in profusion, and no traveler in a foreign land returns without a better understanding and appreciation of the customs, life, and aspirations of the peoples with whom he has come into personal contact. The proposal made at the Montevideo Conference that a tourist passport be issued and viséed gratis for all persons traveling in the Americas might be very helpful as a means of achieving these purposes.

By thus utilizing every avenue to a better understanding, the republics of North and South America can be made to acquire that mutual respect which is the indispensable foundation of friendship, and will thereby approach a unity of purpose and an effectiveness of coöperation that will translate into a living reality the ideal of the new Pan Americanism. The great differences in race, religion, temperament, and manner will be bridged by sympathetic friendliness; unjust suspicions of ulterior motives can be explained away. The first World War, which brought the two continents into a closer financial and commercial relation, also united them for a time in the struggle for democratic ideals. The

United States has proved upon various occasions that she regards the rights of humanity of infinitely more consequence than the rights of property; the republics of Latin America have shown their appreciation of this spirit and have not stood aloof. The time has at last arrived when the republics of the Western Hemisphere can coöperate effectively on the basis of the principles laid down almost a century ago by John Quincy Adams—"disinterestedness, cordial good will, and fair and equal reciprocity." But they have come to realize that such coöperation can achieve lasting results only when functioning in the spirit of the precepts enunciated by Elihu Root—"with sympathy and understanding, with kindly consideration and honorable obligation."

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CHAPTER II

THE MONROE DOCTRINE

IN any discussion of the relations between the United States and Latin America the Monroe Doctrine must necessarily occupy a prominent place. To the average citizen of the United States the Monroe Doctrine seems to possess almost as important a niche in the structure of American institutions as the Declaration of Independence and the Constitution.[1] Yet this same normal American, if pressed to give an exact explanation of what is meant by the Monroe Doctrine, would have great difficulty in making himself clear. He would probably define it ultimately in some such general terms as, "America for the Americans," or "Europe must keep her hands off," or some other expression whose meaning would approximate the idea that the United States should mind her own business and take care of the affairs of the Western Hemisphere, and the nations of the Eastern Hemisphere should do the same. And the interpretation would not be wholly inaccurate; for, in the words of Professor Hart, the Monroe Doctrine is a national policy based upon "the daily common-sense recognition of the geographical and political fact that the United States of America is by fact and by right more interested in American affairs, both on the northern and southern continents, than any European power can possibly be." [2]

If the Monroe Doctrine were merely a question of an understanding between the United States and Europe, it might well be considered as one whose solution had at last been reached. Fifty-eight nations of the world voluntarily signed the covenant of the League of Nations, thereby giving their assent to Article XXI, which states: "Nothing in this covenant shall be deemed to affect the validity of international engagements, such as treaties of arbi-

[1] Mary Baker Eddy, writing at the time of the first hundred years anniversary of the Monroe Doctrine declared, "I believe in the Monroe Doctrine, in our Constitution and in the laws of God" (*N. Y. Times*, Dec 2, 1923).

[2] A. B. Hart, *The Monroe Doctrine* (Boston, 1916), p. 2.

tration, or regional understandings like the Monroe Doctrine, for securing the maintenance of peace." Although the term "regional understanding" more accurately describes Woodrow Wilson's proposed development of the doctrine than its accepted meaning, Europe was willing to subscribe to the doctrine under its original name. In fact, the very same doctrine, which Lord Salisbury declared to be a novel principle which "no statesman, however eminent, and no nation, however powerful, are competent to insert into the code of international law," [3] was declared by representatives of Great Britain at the Paris Conference to have become an international understanding "consistent with the spirit of the covenant; and, indeed, the principles of the League as expressed in Article X represent the extension to the whole world of the principles of this doctrine." [4] The same doctrine, which Bismarck declared to be an international impertinence," and von Bülow "a theory launched venturesomely upon the blue waves of conjectural politics," was recognized to such an extent by Germany at the outbreak of the World War that the German ambassador at Washington assured the United States government that Germany had no intention, in case of victory, to seek expansion in South America. Furthermore, Dr. Dernburg, recognized as representing the German government unofficially, declared that "Germany has not the slightest intention of violating any part or section of the Monroe Doctrine." [5] Finally, France, which under the Second Empire committed the grossest violation of the principles of the doctrine by engineering the Maximilian expedition, has now recognized the fact that the Monroe Doctrine is bound up inseparably with the safety of the United States; and, in the words of M. Paul Deschanel, "It issued from the vitals of reality, just as the Constitution of the United States itself" [6]

But, whether or not we consider the Monroe Doctine a settled

[3] In his answer to Mr. Olney, Lord Salisbury gives an impartial and judicial interpretation of the Monroe Doctrine. See *Foreign Relations of the United States*, 1895, Part I, p. 563.

[4] Quoted by A. B. Hall, *The Monroe Doctrine and the Great War* (Chicago 1920), p. 153.

[5] *New York Times*, Oct 25, 1914.

[6] *Les Questions Actuelles de Politique Etrangère dans l'Amérique du Nord* (Paris, 1911), p. 231.

policy as regards the future relations between the United States and Europe, the question remains open as regards our relations with the independent republics of Latin America. However fixed the North American may be in his belief that in the past the Monroe Doctrine has been the sheet-anchor of safety for the storm-tossed republics to the south, he must recognize the fact that there has been a strong belief throughout Latin America that the original Monroe Doctrine has very little value for any country but the United States. Undoubtedly, many men of high position and great authority in the states of Latin America have paid tribute to the doctrine for the very substantial assistance it gave to the Latin-American republics at a time when friendly intercession was most advantageous. At the Fourth Pan American Conference, Dr. Victoriano de la Plaza, Minister of Foreign Affairs in Argentina, was whole-hearted in his praise. "This condition of precarious autonomy and liberty of action," he said, "and the constant danger of being subjugated or suffering the mutilation of their territory, would have continued among those weak states but for the wise and famous declarations of President Monroe." [7] That a fine appreciation of the true spirit and meaning of the doctrine may be found in South America the following quotation from the eminent Argentinian authority on international law, Dr. Luis M. Drago, will indicate:

"The Monroe Doctrine is in fact a formula of independence. It imposes no dominion and no superiority. Much less does it establish protectorates or relation of superior to inferior. It creates no obligations and no responsibilities between the nations of America, but simply calls upon all of them, with their own means and without aid, to exclude from within their respective frontiers the jurisdiction of European powers Proclaimed by the United States in the interest of their own peace and security, the other republics of the continent have, in their turn, proceeded to adopt it with an eye alone to their own individual welfare and tranquillity. . . . Thus understood, the Monroe Doctrine, which in the end is nothing more than the expression of the will of the people to maintain their liberty, assures the independence of the states of that continent in respect to one another as well as in relation to the powers of Europe " [8]

[7] *Fourth Int. Conf. of Amer. States,* Sen. Doc. No. 744, 61st Cong. 3d sess., Vol. I, p. 12.

[8] A. B. Hart, *op cit.,* p. 253.

Señor Alejandro Alvarez, the Chilean delegate to the fourth assembly of the League of Nations, went so far as to declare that the Monroe Doctrine was more valuable to South America than Article X of the League Covenant because American naval and military forces stood ready to enforce the Monroe Doctrine.

On the other hand, there is also a very strong sentiment prevailing among many worthy representatives of Latin-American countries, that, as far as the republics of Latin America are concerned, the Monroe Doctrine has long since outlived its usefulness. The conditions that called into existence the original statement of President Monroe have passed away, never to return. The subsequent policy of the United States, which masked itself under the doctrine of Monroe, was aimed at Latin America as well as at Europe and Asia. When Secretary Olney declared that "today the United States is practically sovereign on this continent, and its fiat is law upon the subjects to which it confines its interposition," and used this interpretation of the Monroe Doctrine to interfere in a dispute in South America, the inference seemed clear that the United States considered itself sovereign on *both continents*. The great republics of South America keenly resented any such attitude. When the United States took over the Panama Canal, on the ground that the act was justified by the interests of civilization, the South American countries could not fail to note that the interests of civilization and those of the United States were surprisingly alike. Dr. Lucio M. Moreno Quintana, an eminent Argentine lawyer and a grandson of a former president of the country, has expressed what is unquestionably the sentiment of the great majority of Latin-Americans:

"The Monroe Doctrine is not a doctrine of America for the Americans, but of America for the North Americans. It has served as an admirable instrument for the United States to separate Europe from America and to establish its hegemony over the latter The United States has been at all times preoccupied in obtaining concessions of every kind at the cost of the sovereignty of the rest of the American states. The doctrine is dangerous because it is North American imperialism hidden under a principle of international law." [9]

[9] *New York Times*, Oct. 13, 1920.

Just so long as a large number of our Latin-American neighbors felt that the Monroe Doctrine was a selfish policy, based upon the desire of the United States to exclude European powers from interfering with the political interests of the Western Hemisphere merely in order to have a better opportunity to act in a similar fashion itself, our relations with Latin America could not be established upon a satisfactory basis of mutual confidence. But, before casting aside the Monroe Doctrine as an inseparable barrier to a more friendly *rapprochement* between the United States and the Latin-American republics, let us consider the doctrine from two standpoints: First, has the Monroe Doctrine of the past been a policy that, while safeguarding the interests of the United States, has been a menace as well as a benefit to the great powers of Latin America? Second, can the Monroe Doctrine of the future be so interpreted that it will become a real Pan American doctrine, a policy whose maintenance will be the bulwark of defense for the other twenty American republics as well as for the United States?

In order to answer the first question, it is necessary to review briefly both the circumstances that called forth the doctrine, and the manner in which it has been extended by the various presidents who have had occasion to interpret it.

The Spanish dependencies in the New World had very little reason to cherish a keen spirit of loyalty to the mother country. Spain had ever looked upon them as a fruitful field of exploitation, and had considered no regulations too severe to accomplish this result. Therefore, when Napoleon placed his brother Joseph upon the throne at Madrid in 1808, the slight thread of allegiance that still bound the Spanish colonies to the Old World snapped, and a series of revolutions in South America followed. By the end of the year 1810 virtually all of the Spanish colonies in South America had declared their independence, although they still acknowledged a half-hearted allegiance to the deposed Ferdinand VII. As long as the Peninsular War raged in Europe, the colonies were left mostly to their own devices. Upon the restoration of Ferdinand, an attempt was made to bring them once more under his selfish and autocratic rule. But, having enjoyed the benefits

of freedom, the colonies were unwilling to go again under the yoke; and the real struggle for independence began.

From the outset the United States viewed the contest with close attention, and in 1815, by issuing what virtually amounted to a proclamation of neutrality, she accorded the struggling colonies the status of belligerent states.[10] Monroe, then Secretary of State, while unwilling to recognize them outright, declared in a despatch in December, 1815, that the colonies would probably gain their independence, and that it was to the interest of the United States that they should do so. Henry Clay was outspoken in his demands for recognition, and upon several occasions introduced bills authorizing the necessary appropriation for ministers to those governments in South America that had really established their independence. In 1820 such a resolution passed the House. President Monroe was not yet ready to act;[11] but when, in 1822, the victories of San Martín in the south and Bolívar in the north had virtually wiped out all chance of Spanish control, he felt that he need delay no longer, and in a special message to Congress on March 8, 1822, he declared that the time for recognition had come.[12] This recognition did not come any too soon, for in the autumn of this same year, at the Congress of Verona, the three powers of the Holy Alliance, with France in their leading-strings, declared that the system of representative government was incompatible with monarchical principles, and mutually engaged not only to put an end to representative government in Europe, but to prevent its being introduced in those countries where it was not yet known.

Although Great Britain had never joined the so-called Holy Alliance, she was an equal partner in the Quadruple Alliance, whose duty also it was to safeguard Europe from further dangers of revolution. She took part in the conference at Aix-la-Chapelle in 1818, but, unable to back the reactionary policies of Metternich, did not participate in those that followed at Troppau or Laybach. A state with the democratic tendencies already shown

[10] *American State Papers, Foreign Relations,* Vol IV, p. 1.
[11] *Annals of Congress,* 16th Cong., 1st Sess., pp. 2223 *ff.*
[12] *American State Papers, Foreign Relations,* Vol. IV, p. 818.

by Great Britain could not join whole-heartedly in the suppression of constitutional government, and Castlereagh preferred to follow his allies hesitantly and at a distance.[13] When, at the Congress of Verona, Prince Metternich won over Czar Alexander I to his policy of using the concert of powers to crush out democracy wherever it should be found, the Duke of Wellington, representing Great Britain, was instructed to withdraw. George Canning, who now held the portfolio of foreign affairs in the place of Castlereagh, realized only too well that if the Quintuple Alliance aided Ferdinand to recover his possessions in the New World, Great Britain would see the large and profitable trade which she was now carrying on with the South American states restricted once more to Spanish merchants and Spanish ships. In a despatch to the Duke of Wellington, the English representative at Verona, he pointed out that now that American questions were more important than European ones to the British, the opportunity was afforded to turn the situation to their advanage.[14]

Canning hereupon protested against the reactionary policy of the allies, and, with that as an excuse for withdrawing from the European concert, he turned towards the United States. He was justified in expecting the United States to support Great Britain in any program based upon the recognition of the independence of the South American colonies, since the United States in 1819 had proposed the recognition of Buenos Aires, intimating that if Great Britain should adopt similar measures it would be highly satisfactory to the United States. Nor could he afford the time for diplomatic soundings, for the success of the French troops in restoring Ferdinand showed that if the allies' further plans of bringing back the Spanish colonies were to be checked there must be haste.

On August 16, 1823, Canning approached Richard Rush, the American minister, suggesting a joint diplomatic action against European intervention in America, and four days later he put his ideas into a formal proposal. The substance of the proposi-

[13] Viscount Castlereagh, *Correspondence, Despatches, etc.*, 12 vols. (London, 1853), Vol. XII, pp. 311-318.

[14] Duke of Wellington, *Despatches, Correspondence, etc.*, 2nd ser., 8 vols. (London, 1867), Vol. I, p. 511.

tion was somewhat as follows: Assuming the recovery of the colonies by Spain to be hopeless, the question of recognition was one of time and circumstances; under these conditions, would it not be an act of wisdom for the two powers to announce publicly that they neither aimed at taking any portion of the colonies themselves, nor were willing to see any portion of them transferred to any other power with indifference?[15] However, when Rush suggested that Great Britain recognize the colonies forthwith, Canning admitted that such a move was not feasible at the time. The American ambassador thereupon reported the situation to his home government and awaited instructions.

Before considering the great step which the United States was now about to take in the development of her foreign policy, one other factor that entered into the situation must be noted. In 1821 the Czar of Russia had issued a ukase claiming the Pacific coast down to the fifty-first degree, and at the same time declaring that Bering Sea and the North Pacific were closed seas and subject to his exclusive jurisdiction. Adams protested vigorously both against the establishment of new colonial possessions on this continent and at the exorbitant pretensions to exclusive jurisdiction over territory whose title was in dispute.[16] Both Monroe and Adams felt that the time had come when it must be decided whether the United States should join with Great Britain in a strong stand for the independence of the Latin-American states against further encroachments of the powers of Europe, or whether it would be better for the United States to take the stand alone, as the foremost republic in the Western Hemisphere. At first the sentiment of virtually all the statesmen whom Monroe consulted —Jefferson, Madison, Calhoun, and Rush—seemed to favor a joint declaration, and the President himself inclined in that direction. John Quincy Adams alone vehemently opposed a joint declaration, pointing out that Canning's object seemed to be to obtain a public pledge from the government of the United States against its own acquisition of any part of the Spanish-American possessions as much as against the forcible interference of the Holy

[15] For text see J. B. Moore, *Digest of International Law*, Vol. VI, p. 389.
[16] *American State Papers, Foreign Relations*, Vol. IV, p. 861

Alliance. He also made it clear that the United States would be safer in disclaiming all intention of interfering with European concerns, and in issuing a declaration made solely by the United States for an American cause.[17] His views finally prevailed, and it was at length agreed that inasmuch as the South American states were free and independent, they, and not Great Britain and the United States, had the right to dispose of their condition.

President Monroe issued his famous message on December 2, 1823, and although considerable space was given to the expression of the policy of the United States in regard to the attitude and intentions of Europe, the gist of the doctrine may be summed up in two sentences. The first concerned colonization, and was in answer to the Russian ukase of 1821. It declared that "the American continents, by the free and independent condition which they have assumed and maintain, are henceforth not to be considered as subjects for future colonization by any European powers." The second answered the threat of the Holy Alliance, and asserted that "the political system of the allied powers is essentially different . . . from that of America. . . . We owe it, therefore, to candor, and to the amicable relations existing between the United States and those powers, to declare that we shall consider any attempt on their part to extend their system to any portion of this hemisphere as dangerous to our peace and safety." [18]

As was to have been expected, a message that so simply and so completely phrased a true American policy based upon the firm foundation of self-protection, was received enthusiastically in both North and South America. Speaking in behalf of the Panama Mission, April 14, 1826, in the House of Representatives, Daniel Webster declared that "one general glow of exultation, one universal feeling of the gratified love of liberty, . . . pervaded all bosoms." [19] In the words of Señor de Manos Albas, "It [the pronouncement] rang through the world like a peal of thunder; it paralyzed the Holy Alliance, and defined, once and for all time,

[17] J. Q. Adams, *Memoirs* (Philadelphia, 1874-77), Vol. VI, pp. 177 *ff.*

[18] For full text see J. D. Richardson, *Messages and Papers of the Presidents*, Vol II, p. 209.

[19] J. W. McIntyre [ed.], *The Writings and Speeches of Daniel Webster* (Boston, 1903), Vol. V, p. 203.

as far as Europe is concerned, the international status of the newly constituted American republics." [20] Even though its enunciation was due primarily to the realization upon the part of the United States that the preservation of the independence and democratic systems in the South American countries was closely bound up with the protection of her own independence, nevertheless the nations of South America realized clearly that such a policy, maintained by their more firmly established neighbor on the north, was precisely the bulwark needed until they could strengthen themselves sufficiently to stand entirely alone. It is not surprising that Colombia proposed that this doctrine be ratified at the projected Congress of Panama as one of the bases of Pan-Americanism; for such a policy well represented "the gospel of the new continent." [21]

If the American doctrine as laid down by President Monroe could have been forever confined to the two fundamental concepts just outlined, perhaps today this policy would be the unanimously accepted basis of a true Pan American policy. But the doctrine as laid down by Monroe was merely an attempt to meet the situation that confronted him by a policy whose aim was safety for the United States. It contradicted two principles of international law generally accepted at the time: the right of intervention, and the right of taking possession of unoccupied territory. The statesmen of Europe were not slow in expressing their disdain and contempt for these new and presumptuous principles. Châteaubriand declared that such a doctrine "ought to be resisted by all the powers possessing either territorial or commercial interest in that hemisphere"; while Canning, who boasted publicly that he had called into existence the New World to redress the balance of the Old, in his private correspondence expressed himself in an entirely different vein.[22] Even Congress was unwilling to commit

[20] Joseph Wheless, "Monroe Doctrine and Latin America," in *Annals of Amer. Acad.*, Vol. LIV (July, 1914), p. 66.

[21] For an excellent account of contemporary opinion of the doctrine in Hispanic America see J. B. Lockey, *Pan-Americanism: Its Beginnings* (New York, 1920), Chap. VI; see also W. S. Robertson, "South America and the Monroe Doctrine," *Polit Sci Quar.*, Vol. XXX (Mar., 1915), p 82

[22] W. S. Robertson, "The Monroe Doctrine Abroad, 1823-1824," in *Amer. Polit. Sci. Rev.*, Vol. VI (Nov., 1912), p. 546.

itself unreservedly to the new principles, especially as Henry Clay, who introduced a joint resolution doing so, interpreted the doctrine to mean that the United States was ready to insure the independence of the South American republics.[23] Therefore, although the doctrine was to remain the basis of our foreign policy henceforth, it was not recognized as a principle of international law.

Nor, on the other hand, was its interpretation to be rigidly circumscribed by the original limits laid down by Monroe. Rather, it was to be shaped in accordance with the conditions that successive presidents were called upon to confront. As a result, the original doctrine has been expanded as circumstances demanded, and this expansion has been the result of two forces, "American interest and American power." A brief consideration of the important occasions when the doctrine has been invoked will give evidence of its changing character.

In 1827 the Argentine Republic, which was then at war with the Empire of Brazil, sent an inquiry to Henry Clay, asking that he outline the scope of the declarations made by President Monroe. Clay replied that the war between the two states could in no way be considered analogous to the conditions that provoked President Monroe's message, since it was a war "strictly American in its origin and its objects." [24] A few years later in 1833, when Great Britain resumed occupation of the Falkland Islands, Buenos Aires protested that the action of Great Britain was a clear violation of the Monroe Doctrine. Inasmuch as the United States had already been forced to take action against the treatment accorded American fishermen by the Argentinians during their brief possession of the islands, and as the British could lay title to a claim antedating the seizure by Buenos Aires, the United States acknowledged the British sovereignty.[25]

The first enlargement of the doctrine so as to preclude the transfer of American territory from one foreign country to another seems to have been made in connection with Cuba. In

[23] For text of resolution see J. B. Moore, *op cit.*, Vol. VI, p. 404.
[24] *Ibid.*, p. 434.
[25] *Ibid.*, p. 435. See also *infra*, Chap. XV.

1825 Mr. Clay, in a letter to the American minister to France, declared that the United States could not consent to the occupation of Cuba or Puerto Rico "by any other European power than Spain under any contingency whatever,")[26] and the same sentiments were repeated by Mr. Van Buren in 1829 and 1830 in notes to the American minister to Spain.[27] Mr. Forsythe, in 1840, declared that the United States would prevent at all hazards any voluntary transfer on the part of Spain of her title to Cuba, whether it was temporary or permanent, just as she would assist Spain with both military and naval resources in preserving it or recovering it.[28] This enlargement of the doctrine was just as advantageous to the free republics of Latin America as to the United States, for any transfer of colonies would most likely be from a weak power, such as Spain, to one of the stronger and more dreaded European states, and therefore an event to be feared equally by the United States and Latin America.

The earliest enlargement of the doctrine that seemed to be aimed at the Latin-American nations as well as at Europe came with the first message of President Polk. Up to 1845, the United States, when insisting upon a maintenance of the *status quo* in the Western Hemisphere, had, it is true, alluded only to Europe. But there was no reason to believe that the inhibition was not equally applicable to the United States herself. Directly after the annexation of Texas, however, Polk declared that "the people of this continent alone have the right to decide their own destiny"; and that "should any portion of them, constituting an independent state, propose to unite themselves with our confederacy, this will be a question for them and us to determine without any foreign interposition";[29] and the declaration was followed by the annexation of New Mexico and California. Well might the Latin-American states now begin to wonder whether the Monroe Doctrine was an unmixed blessing. In his message of April 29, 1848 President Polk went even further in his free

[26] *Ibid*, p. 447.
[27] *Ibid.*, pp 448-449
[28] *Ibid.*, p. 450. For a more detailed discussion of the Cuban question see *infra*, pp. 200-210.
[29] J D. Richardson, *op. cit.*, Vol. IV, p. 398.

interpretation of the Monroe Doctrine by urging the annexation of Yucatan, which at that time was so upset by an Indian insurrection that the authorities offered to transfer the "dominion and sovereignty of the peninsula" in return for immediate aid. Inasmuch as similar proposals had been made to Great Britain and Spain, President Polk seized the occasion to assert that the United States could not consent to a transfer of this colony to any European power.[30] Under the circumstances, Polk's assertion could mean nothing else than that the United States interpreted the Monroe Doctrine to prevent a Latin-American state from accepting the dominion of a European nation, even if the Latin-American state desired such a transfer of sovereignty. However, Yucatan soon withdrew its offer, so that Polk was not forced to put his interpretation to the test.

Following Polk's administration, the doctrine to a certain extent disappeared from view. Mr. Clayton, Secretary of State through President Taylor's short presidency, struggled against admitting British rights in Central America, but he was finally forced by circumstances to give Great Britain joint rights in any interoceanic canal that might be constructed on the isthmus. It may be conceded that the Clayton-Bulwer treaty did not constitute an infringement of the Monroe Doctrine.[31] But a situation was soon to arise in Mexico which was to provoke a serious violation of the doctrine on the very borders of the United States.

After the disastrous war with the United States, the rival factions struggling for power in Mexico brought the unfortunate country into bankruptcy and anarchy, and the attention of the United States was finally called to the fact that Spain, Great Britain, and France were about to employ strong measures to protect the interests of their citizens on Mexican soil. In a despatch to our minister to Mexico, dated September 20, 1860, Secretary Cass thus indicated the general position of the United States: "While we do not deny the right of any other power to carry on hostile operations against Mexico, for the redress of its grievances, we

[30] *Ibid.*, p 582.

[31] For a discussion of the Monroe Doctrine in its relation to the Panama Canal see *infra* Chap. V, also *Senate Document No. 194*, 47th Cong., 1st Sess.

firmly object to its holding possession of any part of that country, or endeavoring by force to control its political destiny. This opposition to foreign interference is known to France, England, and Spain, as well as the determination of the United States to resist any such attempt by all means in its power." [82] President Buchanan, who had already recognized the Juarez government in Mexico in 1859, intimated in his annual message of 1860 that his position was the same, to the point "of resisting, even by force should this become necessary, any attempt by these governments to deprive our neighboring republic of portions of her territory—a duty from which we could not shirk without abandoning the traditional and established policy of the American people." [83]

When the European powers decided upon armed intervention in Mexico, the United States was, unfortunately for the maintenance of this traditional policy, at the very brink of the war for the Union. A convention was signed October 31, 1861, by Great Britain, France, and Spain, outlining their plan of action. The United States was invited to accede to it, but it was made very clear that operations would be begun regardless of our adherence. Secretary Seward realized the difficulty of the situation, and, while refusing to depart from our traditional policy by entering into a European alliance, he was unable to protest very vigorously against the joint intervention.[84] The British and Spanish, however, whether because they were desirous of respecting our wishes after their claims had been met, or whether because they were dissatisfied with the attitude of the French, withdrew their forces early in 1862. The French, while disclaiming any ulterior motives, pushed forward their forces, seized the city of Mexico, took control of the government, and had the assembly change the government to a monarchy and offer the crown to Archduke Maximilian of Austria. Even when Maximilian had been persuaded to accept, Mr. Seward was unable to do more than declare that the permanent establishment of a foreign and monarchical government in Mexico would be found neither easy nor desira-

[82] J. B. Moore, *op. cit*, Vol. VI, p. 481.

[83] J. D. Richardson, *op. cit*, Vol V, p. 646.

[84] For text of the note and Secretary Seward's reply see *House Executive Document No. 100,* 37th Cong, 2nd Sess, pp. 185-187.

ble.[35] The House of Representatives was not so diplomatic, and voiced a vigorous protest by a resolution unanimously carried April 4, 1864. But Mr. Seward informed the French ambassador that the President had not departed in any way from his previous policy.[36] However, with the close of the Civil War the tone of the Secretary's protests changed, and his note of December 16, 1865, boldly asserted that the sincere friendship between the two nations would be brought into imminent jeopardy unless France desisted from "the prosecution of armed intervention in Mexico to overthrow the domestic republican government existing there." [37] Louis Napoleon was now more interested in the European situation arising out of the growing dispute between Austria and Prussia than in his Mexican enterprise, and in the spring of 1866 he decided to withdraw his troops. With the withdrawal of the French the power of Maximilian began to crumble, and, in less than a year after the departure of the first detachment of French troops, the unfortunate prince paid for his ill-fated Mexican expedition with his life.

The principles of the Monroe Doctrine were vindicated once more in the most serious attempt that had yet been made to impose European domination upon the independent republics of the Western Hemisphere, although nowhere in the diplomatic correspondence is the doctrine mentioned by name. From the standpoint of Latin America, no objection could possibly be raised to the Seward doctrine in regard to Mexico. The United States, torn by the Civil War, could not protest effectively against European intervention, but the United States, reunited, could and did make her protest effective.

Secretary Seward's well considered policy had to some extent lulled the latent fear in the Latin-American states that the United States was preserving their independence for its own advantage, but the ill considered expressions of President Johnson again aroused their resentment. In his fourth annual message, dated December 9, 1868, Johnson delivered himself of these astonishing

[35] J. B. Moore, *op. cit.*, Vol. VI, p. 495
[36] *Ibid.*, Vol. VI, pp. 496-497.
[37] *Ibid.*, p. 501

sentiments: "Comprehensive national policy would seem to sanction the acquisition and incorporation into our Federal Union of the several adjacent continental and insular communities as speedily as it can be done, peacefully, lawfully, and without violation of national justice, faith, or honor. . . . The conviction is rapidly gaining ground in the American mind that, with the increased facilities for intercommunication between all portions of the earth, the principles of free government as embraced in our Constitution would prove of sufficient strength and breadth to comprehend within their sphere and influence the civilized nations of the world." [38] This was either a most extraordinary extension of the Monroe Doctrine, or else the promulgation of a new and all-embracing Pan American doctrine, with the United States as the chief beneficiary. Fortunately for future Pan American relations, President Johnson was at the close of his term, and, in view of the fact that he had been estranged from Congress throughout the greater part of it, his statements did not receive the attention which they would otherwise have commanded.

President Grant and his Secretary of State, Hamilton Fish, returned to the common interpretation of the doctrine, as aiming to protect the feeble powers of America against European intervention, but in such a way as to secure and maintain their confidence. Secretary Fish was careful to make it clear to the neighboring states that the United States did not covet their territories and was ready to aid them to the fullest extent in any steps which they might take to protect themselves against anarchy. But, while emphasizing the unselfish attitude of the United States in offering its protection against Europe, he was careful to safeguard the interests of his country in regard to the proposed isthmian canal. It was his expressed opinion that the canal was an American enterprise, to be undertaken under American auspices.[39] Secretary Evarts took the same stand, declaring that the paramount interest of the United States in the project of interoceanic communication seemed indisputable.[40] When the French company under

[38] J. D. Richardson, *op. cit.*, Vol. VI, p. 688.

[39] *Foreign Relations of the U. S.*, 1870, pp. 254 *ff.*; see also *Senate Executive Document No. 112*, 46th Cong., 2nd Sess., p. 48.

[40] *Senate Executive Document No. 112*, 46th Cong., 2nd Sess., p. 18.

the direction of de Lesseps indicated its intention to start construction of a canal, President Hayes pointed out that "the policy of this country is a canal under American control; . . . it will be the great ocean thoroughfare between our Atlantic and Pacific shores, and virtually a part of the coast-line of the United States." [41]

Secretary Blaine, in Garfield's administration, opposed the idea of a joint guaranty and control of an interoceanic canal by the European powers as a direct infringement of the Monroe Doctrine, but when communicating his views to Great Britain he put himself in a very weak position by omitting to mention the Clayton-Bulwer treaty of 1850.[42] When the British Foreign Minister called his attention to this *lapsus memoriæ,* Mr. Blaine attempted to prove that the situation had so changed that the treaty was no longer of value.[43] Needless to say, Great Britain disagreed with this doctrine, and had little difficulty in supporting her position. Unsuccessful here, Blaine turned his attention to strengthening the bonds of friendship between the republics of the two Americas by a Pan American conference, though before he could bring his plans to fruition he was no longer Secretary of State.

Up to this point the Monroe Doctrine had been interpreted, with very few exceptions, as protective of American institutions and territory against Europe. Now a new and disturbing extension of the doctrine was at hand. It was preceded by a period of strained relations between the United States and Chile. The protection accorded President Balmaceda and refugees of his party by the United States minister, and the unfortunate *Baltimore* incident, provoked feelings of bitterness on both sides. President Harrison expressed in no uncertain terms the intention of the United States to protect her citizens in those states whose governments were too weak to do it. But it remained for President Cleveland, through his Secretary of State, Mr. Olney, to declare that: "To-day the United States is practically sovereign upon this continent, and its fiat is law upon the subjects to which it confines

[41] J. D. Richardson, *op cit.*, Vol. VII, p. 585.
[42] *Foreign Relations of the U. S.*, 1881, p. 537.
[43] *Ibid.*, p 554.

its interposition. Why? . . . It is because, in addition to all other grounds, its infinite resources combined with its isolated position render it master of the situation and practically invulnerable as against any or all other powers." [44]

The occasion that provoked this expression, it is true, was brought about by Venezuela, who wished to use the power of the United States to protect her against British encroachments. Nevertheless the Latin-American republics might well look with perturbation upon this new extension of the Monroe Doctrine. As Señor Alvarez has pointed out, such an interpretation does not properly come under the Monroe Doctrine, but under a policy whose basis is the safety of the United States through its hegemony on this continent.[45] Even such a policy might well have as an essential corollary the protection of the Latin-American republics. But such a bold statement of overweening power was pregnant with sinister possibilities, and the influences hostile to the closer relations between the United States and its Latin-American neighbors were not slow to avail themselves of the opening. This doctrine as announced by President Cleveland has been termed the doctrine of paramount interest, and the President put himself on record as willing to go to war, if necessary, to enforce it. In spite of Lord Salisbury's protestations that international law could never sanction any such novel principle, President Cleveland maintained his point, and Great Britain finally accepted American intervention. In the Venezuela controversy President Cleveland stood upon a doctrine whose observance was necessary "to our peace and safety as a nation and to the integrity of our free institutions." But it is essential to note that his stand was also useful to Venezuela in supporting her claims.[46]

After the Spanish-American War had extended our jurisdiction to certain of the Spanish colonies, it became a matter of even

[44] J B. Moore, *op. cit.*, Vol. VI, p. 553

[45] Alejandro Alvarez, "Latin America and International Law," in *Amer. Jour. of Int. Law*, Vol. III (April, 1909), p. 269.

[46] For a discussion of the Venezuela affair see J. H. Latané, *The United States and Latin America* (New York, 1920), pp. 238-249; also Raúl de Cárdenas, *La Politica de los Estados Unidos en el Continente Americano* (La Habana, 1921), pp. 123-132.

greater interest to Latin-Americans to know just how far our peace and safety would lead us in intervening in their destinies. President Roosevelt's action in regard to Colombia and the Panama Canal, and the passage of the Platt Amendment by Congress, were events that cast shadows of a most dubious sort before the eyes of all Latin-American countries Neither were the utterances of President Roosevelt of such a character as to dissipate apprehension. In the annual message of 1904 he enunciated what is generally known as the "big-stick" policy, as follows:

"Any country whose people conduct themselves well can count upon our hearty friendship. If a nation shows that it knows how to act with reasonable efficiency and decency in social and political matters, if it keeps order and pays its obligations, it need fear no interference from the United States. Chronic wrong-doing, or an impotence which results in a general loosening of the ties of civilized society, may in America, as elsewhere, ultimately require intervention by some civilized nation, and in the western hemisphere the adherence of the United States to the Monroe Doctrine may force the United States, however reluctantly, in flagrant cases of such wrong-doing or impotence, to the exercise of an international police power." [47]

This statement of policy was merely the prologue to the taking over and administration of the finances of the Dominican Republic. Although the Senate refused to ratify the protocol, the President, under the guise of an executive agreement, carried out his plan, and the Senate later gave its sanction. When President Taft followed the same course in his dealings with Nicaragua and Honduras, and President Wilson in his action in Haiti, well might the states of Latin America believe that the Monroe Doctrine, in its new interpretation, meant intervention by the United States to prevent intervention by Europe.

One other recent extension of the Monroe Doctrine which is based primarily upon the principles of self-defense occurred in 1912, when an American company attempted to sell out certain concessions in Lower California around Magdalena Bay to a Japanese concern. The result was the following Lodge resolution, which received the indorsement of the Senate:

[47] A. H. Lewis, *Messages and Speeches of Theodore Roosevelt* (Washington, D. C., 1906), Vol. II, p. 857.

Resolved, That when any harbor or other place in the American continents is so situated that the occupation thereof for naval or military purposes might threaten the communications or the safety of the United States, the government of the United States could not see without grave concern the possession of such harbor or other place by any corporation or association which has such a relation to another government, not American, as to give that government practical power of control for naval or military purposes.[48]

Although this particular phase of an American doctrine was aimed at Japan, it seems reasonable to assume that the same policy would be invoked by the United States as against any other interests or concessionaires who might be supposed to have the support of their government.

If these extensions of the Monroe Doctrine were uniformly of a nature tending to protect the United States, regardless of the rights of the other republics of the New World, the hostility with which the doctrine is generally regarded in South America would be easy to understand. But other phases of the doctrine have been brought out which show that the United States, in its insistence upon self-protection, has not wholly lost sight of the rights of its Latin-American neighbors. In numerous addresses delivered during his memorable visit to South America in 1906 Elihu Root gave an interpretation of the doctrine that all South America was only too glad to accept. In Uruguay he asserted that the declaration of Monroe was "an assertion to all the world of the competency of Latin-Americans to govern themselves."[49] We have already quoted a portion of his eloquent address at the Pan American Conference in Rio de Janeiro in which he outlined an all-American policy for the United States. Some years later Mr. Root, in an address welcoming Dr. Lauro Müller, Foreign Minister of Brazil, declared that "there is neither to the Monroe Doctrine nor any other doctrine or purpose of the American government any corollary of dominion or aggression, or aught

[48] For text see *Amer. Jour of Int. Law,* Vol. VI (Oct, 1912), p. 437. See also T. A. Bailey, "The Lodge Corollary of the Monroe Doctrine," *Polit. Sci. Quar.,* Vol. 48, p. 238.

[49] Elihu Root, *Latin America and the United States* (Cambridge, Mass., 1917), p. 58.

but equal friendship." [50] In fact, in an address before the American Society of International Law on April 22, 1914, Mr. Root went so far as to assert that, outside of the one apparent extension of the doctrine by President Polk, there has been no other change or enlargement of the Monroe Doctrine since it was first promulgated.[51]

President Wilson was particularly successful both in enunciating and in maintaining this friendly policy towards Latin America. On March 11, 1913, very shortly after his inauguration, he declared: "The United States has nothing to seek in Central and South America except the lasting interests of the peoples of the two continents." [52] And a little later he was more definite: "The United States will never again seek one additional foot of territory by conquest." [53] Yet even President Wilson was forced to follow the Roosevelt doctrine in the case of Haiti; nor was American administration there so satisfactory as to escape very serious criticism. But in the Caribbean, particularly, the United States cannot brook European intervention, and to act as policeman in the region has been regarded as essential to our peace and safety.

One of the most important interpretations of the Monroe Doctrine was made by Secretary of State Hughes in a notable speech made in 1923 upon the occasion of the celebration of the centenary of the Monroe Doctrine.[54] The address, delivered before the American Bar Association at Minneapolis on August 30, 1923, was entitled "Observations on the Monroe Doctrine." In the course of his remarks Secretary Hughes made certain categorical assertions which had considerable influence upon subsequent interpretations of the doctrine.

In the first place, he declared that "the Monroe Doctrine is not a policy of aggression; it is a policy of self-defense. . . . *Second,*

[50] Elihu Root, *op. cit.*, p. 243.

[51] Elihu Root, *Addresses on International Subjects* (Cambridge, Mass., 1916), p. 112.

[52] E. E. Robinson and V. J. West, *The Foreign Policy of Woodrow Wilson* (New York, 1917), p. 180.

[53] *Ibid.*, p. 201.

[54] C. E. Hughes, *Address before the Fifty-sixth Annual Meeting of the American Bar Association* (Washington, D. C., 1928).

as the policy embodied in the Monroe Doctrine is distinctively the policy of the United States, the Government of the United States reserves to itself its definition, interpretation and application. . . . *Third,* the policy of the Monroe Doctrine does not infringe upon the independence and sovereignty of other American states. . . . *Fourth,* so far as the region of the Caribbean Sea is concerned it may be said that if we had no Monroe Doctrine we should have to create one. . . . Our interest does not lie in controlling foreign peoples, that would be a policy of mischief and disaster. Our interest is in having prosperous, peaceful and law-abiding neighbors with whom we can cooperate to mutual advantage. *Fifth,* it is apparent that the Monroe Doctrine does not stand in the way of Pan American coöperation; rather it affords the necessary foundation for that coöperation in the independence and security of American states."

These utterances clarified the current interpretation of the doctrine and seemed to eliminate reasonable fears on the part of the South American countries. On the other hand, it might be called a "big brother" doctrine in the Caribbean area, and fraternal admonitions are not always cordially welcomed. Nevertheless, every nation has both a right and a duty to protect its essential interests, and the Monroe Doctrine was ever fundamentally a policy of self-protection for the United States. Nor did the United States object to similar declarations of policy on the part of its Latin-American neighbors, for, as Secretary Hughes declared on January 20, 1925, "While this doctrine was set forth and must be maintained as the policy of the United States, there is no reason whatsoever why every one of our sister republics should not have and formulate a similar principle as a part of its foreign policy. . . ." [55]

But when we come to the Coolidge-Kellogg policy in the Caribbean, as exemplified particularly in the sending of marines to Nicaragua, the fears of the Latin-American nations seemed to be justified. In the words of *La Nación* of Buenos Aires: "We do not recall that the right of intervention by force has ever been pronounced to such a disquieting extent as it is done today

[55] *Amer. Jour. of Int. Law,* Vol. 19 (Apr., 1925), p. 368

by the government of the United States. The Monroe Doctrine in the hands of Kellogg seems to retain its defensive quality for the United States but to lose its quality as a dignified guaranty of safety to small neighbors. Nicaragua does not fear to be made a colony by some European country but must suffer the military domination of the United States. This fact creates a precedent whereby the independence of American countries will be subordinated to the amount of dollars which the United States invests therein, thus replacing the Monroe Doctrine which for a century has been the resplendent shield of the moral greatness of the United States." [56]

Upon the advent of the Hoover administration, Secretary of State Stimson delegated Undersecretary of State J. Reuben Clark to prepare a memorandum on the Monroe Doctrine which should give a comprehensive historical presentation of its origin and development. Mr. Clark's memorandum which was published in 1930 as an official document by the Department of State interprets the doctrine in a fairly restrictive fashion. The Big Stick corollary of President Theodore Roosevelt is declared to be unjustified by the terms of the doctrine. The doctrine according to this interpretation neither prevents Europe from waging war against the Latin Americas, nor does it relieve Latin-American states of their responsibilities as independent sovereignties. Although "the United States determines when and if the principles of the doctrine are violated and . . . we alone determine what measures shall be taken to vindicate the principles of the doctrine . . . so far as Latin America is concerned, the doctrine is now, and always has been, not an instrument of violence and oppression, but an unbought, freely bestowed, and wholly effective guaranty of their freedom, independence, and territorial integrity against the imperialistic designs of Europe." [57]

The Hoover administration gave concrete evidence that it intended to carry out a non-imperialistic policy when the United States and the Latin-American states at the 1928 Washington

[56] *New York Times*, Jan. 6, 1927.

[57] J. Reuben Clark, *Memorandum on the Monroe Doctrine* (Washington, D C, 1930).

Conference on Conciliation and Arbitration signed two treaties condemning war as an instrument of national policy and agreeing to settle all juridical disputes by arbitration, and all others by conciliation.

Franklin D. Roosevelt in his first inaugural address of March 4, 1933, dedicated the United States "to the policy of the good neighbor." Speaking before the Governing Board of the Pan American Union on Pan American Day, April 12, 1933, he interpreted this policy as it affected our relations with Latin America: "The essential qualities of a true Pan Americanism must be the same as those which constitute a good neighbor, namely, mutual understanding and, through such understanding, a sympathetic understanding of the other's point of view. . . . In this spirit the people of every republic on our continent are coming to a deep understanding of the fact that the Monroe Doctrine . . . was and is directed at the maintenance of independence by the peoples of the continent. It was aimed and is aimed against the acquisition in any manner of the control of additional territory in this hemisphere by any non-American power." [58]

Now to answer our question as to whether the Monroe Doctrine has been a menace as well as a benefit to the Latin-American republics. Let us briefly summarize the interpretations from the viewpoint of Latin America. Undoubtedly the idea of no transfer by one European nation to another of its territory in the New World is satisfactory to the Latin-Americans; but when this interpretation is extended to prevent voluntary transfer of allegiance, it becomes an arbitrary interference with sovereign rights. When, on the other hand, transfer of territory to the United States is regarded as permissible, from the Latin-American viewpoint the doctrine becomes dangerous. President Johnson's ill considered words as to American expansion merely aroused antagonism, but President Hayes' carefully considered statement of the United States coast-line extending to Panama inspired fear. Finally, the Cleveland-Olney doctrine of American supremacy on this continent, followed by the Roosevelt doctrine of

[58] U. S. Department of State, *Press Releases*, Vol. VIII, No. 451 (April 15, 1933).

responsibility for the behavior of badly governed republics, provoked openly manifested hostility. Although Secretary Root, President Wilson, Secretary Hughes and President Franklin D. Roosevelt have done much to allay this antagonism, the judgment of the average Latin-American undoubtedly was that the Monroe Doctrine of the past at any rate has been a menace, as well as a benefit, to the Latin-American countries.[59]

This brings us to our second question: Can the Monroe Doctrine of the future be so interpreted that it will be regarded as a true Pan American doctrine? If the doctrine of the present could be restored to the original formula, there would be little question of its acceptance by South America. But such a doctrine would be entirely unnecessary; the conditions no longer demand such a policy. The Americas no longer possess uncolonized territory, nor do the more powerful Latin-American states look to the United States to prevent European intervention. Hence a return to the original doctrine of Monroe would render the doctrine obsolete, and therefore futile as a Pan American doctrine. On the other hand, to continue the Monroe Doctrine as a policy which conforms itself to the new problems that arise, and whose interpretation may be based upon selfish advantage as well as upon self-preservation by the United States, will never be acceptable to the Latin-American nations as a true Pan American policy.

Several solutions of this *impasse* have been proposed. A practical suggestion has been to enlarge gradually the powers of the Pan American Union so that it shall come to have jurisdiction over all questions that might arise to disturb the peace of the Western Hemisphere. In a special memorandum on the Monroe Doctrine and the League of Nations which Mr. Barrett prepared for the American representatives at the Paris Peace Conference, he pointed out that in the Pan American Union we already had "a practical, peace-preserving, and successfully working, although limited and voluntary, American league of nations." It was fur-

[59] For critical detailed indictment of the Monroe Doctrine from the Latin-American point of view see Gaston Nerval, *Autopsy of the Monroe Doctrine* (New York, 1934).

ther suggested that the American governments give the supreme council of the Pan American Union, or some similar body to be created, authority not only to initiate and effect mediation, adjudication, and arbitration, but to enforce its conclusions without the interference of the Old World powers. This solution, which is based upon the practical results already achieved by an established organization, seems well within the bounds of possibility, and that such a solution would be accepted by the republics of Latin America might well be taken for granted. In the words of Señor Calderon, minister from Bolivia: "If the Monroe Doctrine is the proud determination of the United States to keep the whole American continent free from any contamination of foreign autocrats, the Pan American Union is the agreement of all the republics to live together, linked by the great ideals of democracy, not looking down upon the weaker or the less advanced ones, but determined to help them and to forge ahead in a united and free effort to reach the goal of popular welfare, free and peaceful development, and the elimination of pauperism and anarchy." [60]

Another solution, one that has received much attention, is based upon the address made by President Wilson to Congress on January 22, 1917, in which he proposed that "the nations should with one accord adopt the doctrine of President Monroe as the doctrine of the world; that no nation should seek to extend its policy over any other nation or people, but that every people should be left free to determine its own policy, its own way of development, unhindered, unthreatened, unafraid, the little along with the great and powerful." [61] This idea was later incorporated into the covenant of the League of Nations as Article X, stating that "the members of the League undertake to respect and preserve as against external aggression the territorial integrity and existing political independence of all members of the League."

This proposal was bitterly opposed on the ground that such a doctrine would withdraw us from our isolation and involve us in all the disputes of Europe. It was also asserted that by extending the Monroe Doctrine to the world its value as an American

[60] *Jour. of Int Relations,* Vol. X (Oct., 1919), p. 133.
[61] E. E Robinson and V. J West, *op. cit.,* p. 369.

doctrine would be completely lost. Space prevents even the barest consideration of this controversy, other than to point out that a policy of isolation for the United States is neither possible nor desirable, and that the extension of the Monroe Doctrine to the world would mean not only that the world would recognize the doctrine, but that it would join with the United States in guaranteeing its observance. However, Article X, by fixing a definite guaranty mutually enforceable by and binding upon the member states, pledges more in relation to the world than the Monroe Doctrine ever did in relation to the Western Hemisphere. To obviate this objection, and to secure the adherence of the United States to the League, Article XXI was added, which declares that such regional understandings as the Monroe Doctrine are not incompatible with the covenant of the League. Whether these two principles, a Monroe Doctrine that guarantees nothing except the safety of the United States, and Article X, which guarantees the territory and independence of the member nations of a world league, are mutually sympathetic or antagonistic, remains to be seen.[62] But—as was pointed out by Señor Paredes, Minister of Foreign Affairs in Salvador, in a communication to our State Department early in 1920—even if the League of Nations becomes a permanent institution, and with the United States a member, it will still be necessary to interpret the Monroe Doctrine. For, as Señor Paredes says, "since the doctrine will be forthwith transformed into a principle of universal public law, *juris et de jure*, . . . the necessity of an interpretation of the genesis and scope of the Monroe Doctrine not only in the development of the lofty purpose of Pan Americanism but in order that that doctrine may maintain its original purity and prestige, is rendered all the more urgent." [63]

Some eight years later when Costa Rica was asked to reconsider its intention of withdrawing from the League of Nations, Foreign Secretary Castro again requested a definition of the scope of the

[62] A subsequent interpretation of Article X, adopted by the League Assembly at Geneva, has weakened it to such an extent that it is now hardly more than a Monroe Doctrine for the signatory nations.

[63] *New York Times*, Feb. 8, 1921. See also S. G. Inman, *Problems in Pan-Americanism* (New York, 1921), pp 179-194.

doctrine as interpreted by the League under Article XXI, "since the inclusion of various American nations in the League and the fact that this doctrine is mentioned in the Statute by which it was created fully justify its definition by the League" [64] Inasmuch as Señor Castro in the very next sentence pointed out that the "doctrine in question constitutes a unilateral declaration" it was manifestly impossible for the League of Nations with the United States outside to give an acceptable definition. Consequently, when Mexico entered the League of Nations in 1931 and Argentina took her place in 1933, both made reservations declining to recognize the Monroe Doctrine under Article XXI of the Covenant.

It is therefore evident that if the Monroe Doctrine is to be maintained by the United States as a policy essential to its peace and safety, and at the same time accepted by the Latin-American countries as a policy in no way inimical to their rights and interests, some form of a multilateral pact must be envisaged. Colonel House had such a solution in mind when he initiated negotiations during the Wilson administration for a Pan American pact embodying mutual guarantees of territorial integrity and political independence among all the American republics. Argentina and Brazil appeared very friendly to the idea, but Chile was less inclined to support the proposal and no definite results came of it.

At the Montevideo Conference of 1933 Dr. Puig Casauranc of Mexico suggested that the Roosevelt administration carry out the New Deal in foreign policy and express itself in inter-American affairs not by words alone but by a revision of the Monroe Doctrine. When Secretary Hull replied by definitely accepting for the United States the principle of non-intervention in the Western Hemisphere the corner stone was laid for such a multilateral pact.

When the twenty-one American republics convened in Buenos Aires in 1936 for the Inter-American Conference for the Maintenance of Peace the foundation for the erection of a joint policy of Pan American action for mutual protection in the Western Hemi-

[64] League of Nations, *Official Journal*, October, 1928, pp. 1606-07.

sphere was already prepared. The bogey of intervention had been laid and Secretary Hull's willing acceptance and support of the Saavedra Lamas Peace Pact had changed the latent suspicions of Argentina to cordial interest in coöperation with the United States. Not only was the Montevideo convention of 1933 accepted as a fundamental principle that "no state has the right to intervene in the internal or external affairs of others" reaffirmed, but another convention was formulated and approved by the terms of which the various American governments pledged themselves to consult with each other first, in the event that the peace of the American republics was menaced; second, in the event of war between American states; and third, in the event of an international war outside America which might menace the peace of the American republics. This consultative pact so clearly takes care of any situation envisioned by the Monroe Doctrine in its original or recent interpretations by joint action on the part of all the American republics that it was aptly named by the delegates the "Monroe Doctrine Convention."

The outbreak of war in Europe resulting from the Nazi attack upon Poland at first merely provoked the New World to strengthen its bulwarks of neutrality. But at the same time lest aggression invade its portals, the foreign ministers of the twenty-one republics in conference at Panama in 1939 resolved that in case continental security should be endangered by a threatened change of territorial sovereignty in the Western Hemisphere a meeting for consultation should be held immediately.[65]

The quick downfall of Holland and the incredibly sudden collapse of France left their colonial possessions in the New World wholly without protection. All America was aroused. Both houses of Congress rushed through resolutions in June 1940 declaring that the United States would not only refuse to acquiesce in any attempt to transfer any region in the Western Hemisphere from one non-American power to another but proposed to consult immediately with the other American republics in case of such a

[65] For text of the resolution see *Department of State Bulletin*, Vol I, No 15 (October 7, 1939), p. 334

threat.[66] Secretary of State Hull thereupon instructed our representatives in Europe to notify all governments concerned to this effect. Thus the United States indicated that the Monroe Doctrine was still a vital principle in the Western Hemisphere and the American republics would unite to enforce it.

Forthwith a second conference of foreign ministers met at Havana in July 1940, and Secretary of State Hull in his opening address proposed "the establishment of a collective trusteeship to be exercised in the name of all the American republics" [67] where the existing status of any American region was threatened by cession or transfer. The Conference except for Argentina was unanimously in favor of such a proposal. As finally accepted, the Act of Havana and a Convention on the Provisional Administration of European Colonies and Possessions in the Americas categorically prohibited the transfer of territories in the Western Hemisphere from one non-American state to another, and in case such action was threatened provision was made for the taking over and provisional administration of any such region by an Inter-American Commission of Territorial Administration. In case of an emergency any state could act *singly* or jointly with others in any manner required by its own defense or in defense of the continent.[68]

By this unanimous action of the representatives of the twenty-one republics, the Monroe Doctrine was accepted as a fundamental living principle of continental defense, and its maintenance was recognized to be of joint concern to all of the American republics. Furthermore, to prevent the possibility of a *fait accompli* before joint action was possible, the United States or any other power could act immediately and by itself to prevent its violation. The Monroe Doctrine had at last become a doctrine of continental security voluntarily and unanimously accepted.

The threat to the democratic systems of the New World inherent in the recent development of autocratic systems in the Old has brought about a situation somewhat comparable to that ex-

[66] S. S. Jones and D. P. Meyers, *Documents on American Foreign Relations, 1939-1940*, Vol II (Boston, 1940), p. 89.

[67] *Department of State Bulletin*, Vol. III, No. 57 (July 27, 1940), p. 46.

[68] *Ibid.*, Vol. III, No 61 (Aug. 24, 1940), pp. 138, 145-148.

isting when the original Doctrine of Monroe was enunciated. Today, however, the United States no longer need take the sole responsibility for the maintenance of security in the New World. The will and ability to coöperate are manifest; the machinery for joint consultation has already been set up. President Franklin D. Roosevelt repeated on several occasions during his trip to South America a felicitous phrase: "Each one of us had learned the glories of independence. Let each one of us learn the glories of interdependence." Such a principle in which the peace and safety of one assumes the support and protection of all should effect a coöperation and solidarity among the nations of the Western Hemisphere whereby joint responsibility of the American republics replaces the now outmoded original Doctrine of Monroe.

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CHAPTER III

UNDERMINING THE MONROE DOCTRINE

DEMOCRACIES unfortunately are prone to possess two dangerous tendencies: wishful thinking and overconfidence. Britain wanted to do business as usual and was confident that the royal fleet made her sea girt isle impregnable—came the tragedy of Dunkirk. France was content with the *status quo* and possessed confident assurance that the Maginot Line would maintain it, but the line was turned. The Western Hemisphere has its vast ocean frontiers and its much publicized Monroe Doctrine, but oceans are highways as well as barriers and the Monroe Doctrine was not contrived to prevent economic penetration and still less subversive propaganda. Totalitarian influences became deeply entrenched in the Western Hemisphere before either the North or South American republics realized the danger.

Not that warning was not given. Both Fascist and Nazi frankly boasted of their intentions. Virginio Gayda, the newspaper mouthpiece of Mussolini, on June 7, 1940, declared that "when the United States participates too indiscreetly in European affairs . . . the United States automatically grants European powers the right of retaliation, to be taken today or in any other period of American history and on American territory." [1] The Fuehrer was even more explicit when he boasted "We shall create a new Germany in South America . . . Mexico is a country that cries for a capable master . . . We shall create a new Germany in Brazil . . ." [2]

One of the weapons employed most effectively by the Nazis to accomplish their ends was the stimulation of jealousy and hostility among Latin Americans by making invidious contrasts between the Yankees and their neighbors to the south. A subtle example is shown by a sentence from an editorial in the *Voelkischer Beobachter* of February 15, 1939: ". . . The biggest obstacle in

[1] *Giornale d'Italia*, June 7, 1940.

[2] Herman Rauschning, *The Voice of Destruction* (New York, 1940), pp. 61-67.

the way of the Pan American policy of the Yankees is the deep chasm between the prosperity civilization of North America and the Iberian culture of Latin America. . . ." German newspapers and German publicists constantly strove to weaken the increasingly closer ties engendered by the good neighbor policy by a continuous campaign of detraction and innuendo. Although clearly a brazen attack upon the morale of the people of Latin America, the Nazis were confident that the Yankees were too stupid to appreciate the danger and the Latins would not be averse to implied support against the powerful neighbor to the north. Unfortunately, their reasoning was correct. The United States continued to be primarily interested in business as usual and the Latin American republics were not unaccustomed to dictators and totalitarian methods. They appreciated the increasing attention showed to them but they did not take *der Führer* too seriously.

Apparently the United States, in spite of a constantly increasing loss of trade with the larger South American states to the benefit of Germany, failed to realize the threatening political implications. For example, in 1936 when the United States was buying twice as much from Chile as was Germany, the Reich exported to Chile about two million dollars worth of goods more than the United States. In 1937 the Chilean State Railways bought over three million dollars worth of railway equipment from Germany and in 1938 the Chilean National Air Lines were equipped with Junkers J. V86 although the bids of American firms were lower and Chilean pilots preferred American planes. During the same year Germany took away from us even our leading position in Brazilian imports, and only the outbreak of war in 1939 prevented a similar loss in Argentina.

The Nazis, however, were not content with economic gains. They were determined to bring Latin America under political control as well. The situation seemed tailored to their purpose. Although not well entrenched in Mexico [3] or the Caribbean area, it was estimated that there were about two million German na-

[3] In Mexico the Nazis, of whom there are only a few thousand, have affiliated when possible with the Falangista followers of Franco and, although they have been a threat from time to time, as shown by the riot before the United States

tionals in South America of whom the majority possessed German citizenship, even though not born in the Reich. Furthermore, they were well concentrated. In the Southern departments of Chile, from Valdivia and Osorno to Puerto Montt, some 30,000 German farmers kept in such close touch with the Reich that their output of skins, wool, lentils, oats and wine was contracted for far in advance of its production. In the northern territories of Argentina, such as Misiones, Formosa, and Chaco, and in the provinces of Corrientes and Entre Rios there are about a quarter of a million Germans, who practically dominate both the industry and agriculture of the region. But it is in the southern states of Brazil where there has been established a veritable *Deutschland über meer*. Reliable figures give a conservative estimate of approximately a million Germans in the states of Sao Paulo, Santa Catharina, and Rio Grande du Sul. In some of the towns of Santa Catharina almost two-thirds of the people speak German in their daily lives instead of Portuguese.

The Nazis also counted upon the nationals of their Axis allies for strong support. With approximately six million of Italian blood and about a quarter million Japanese and an undetermined number of Falangistas who wished to restore Spanish influence and culture in the western hemisphere, this attitude seemed justified. The Nazis soon discovered, however, that they were badly mistaken in this hope. The Italians in South America assimilate quickly with both Spanish and Portuguese races. In Argentina where about half of the Italian stock is found they consider themselves Argentinians and are proud of it. The great Salocchi bank, in Peru, the Banco Italiano, may be Fascist-minded, but its Peruvian depositors of Italian race on the whole are not. Uruguay, which has a large Italian stock, is one of the most liberal minded republics in South America. The Latin citizens of the South American republics whether born in Spain, Italy, or Portugal are patriotic nationals of their adopted countries and react accordingly. The Italians resented Mussolini's attempts to export

Embassy upon the occasion of the visit of Vice-President Wallace, they have never constituted a serious menace, particularly after Padilla became Minister of Foreign Affairs.

Fascism and even more his subservience to his Nazi master. Jokes on Mussolini and the Fascists were very popular among the Argentines whether of Italian or Spanish antecedents. One which was often quoted referred to the automobile racer who got extra speed from his car by putting Perelli (Italian) tires on his frontwheels and Dunlops (English) on the rear. Another referred to the man in a restaurant who ordered spaghetti, then Worcestershire sauce. When the sauce arrived he found the spaghetti had disappeared.

The Japanese may be discounted entirely as a real threat. There are only about a quarter million of them and they are to a considerable extent concentrated in Brazil and Peru. In Brazil their schools have been closed and since 1934 not more than 3000 were permitted to immigrate in a year. When Brazil became the first South American country to declare war upon the Axis the Vargas government rounded up some 10,000 Japanese suspected of subversive activities and interned them on Isola Flores All Japanese nationals were ordered to surrender their arms, remain away from ships and report to police headquarters each week. In Peru, although they number but some 30,000, the Japs have played quite an important rôle in agriculture and small industries. Both sugar and cotton are their specialty.[4] They attended their own schools, often went to Japan to complete their education and then returned to Peru. When the Peruvian government took action against further immigration in 1936, the Japanese government protested but obtained slight satisfaction. The discovery of knocked-down air planes and machine guns in the Chancay Valley north of Lima in 1940 where 90% of the people are Japanese, produced anti-Japanese riots in Lima resulting in a million and a half dollars worth of damage to Japanese shops. In his study of the international position of Peru published in 1941, Señor Alberto Ulloa stated emphatically that in a war between the United States and Japan it would be necessary for Peru to sequester the Japanese immediately in a concentration camp.[5] About 1,500 Japanese were so treated after the Chancay incident.

[4] Japan, after the severance of trade relations with the United States, became the largest buyer of Peruvian cotton, increasing its imports 180% in 1941 to a total of more than 82 million soles.

[5] Alberto Ulloa, *Posición Internacional del Peru* (Lima, 1941), pp. 361-2.

Immediately following the Japanese attack on Pearl Harbor, Peru severed diplomatic relations with Japan and the Japanese consul general publicly cautioned his nationals against any form of political activities.

It is therefore the Nazis primarily whose activities have been a real menace to the unified defense of the Western hemisphere. It is they who, in the picturesque language of Sumner Welles, were the "human termites gnawing at the foundations of our Inter-American system." If we try to estimate just how great was the danger, we must divide South America into two parts—one, that section lying for the most part north of the bulge of Brazil and including Venezuela, Colombia, Ecuador and Peru, and, the second and far larger part, including Argentina, Bolivia, Brazil, Chile and Uruguay. In the northern sector, except for a potential threat to the Panama Canal, the problem was never very serious. In the southern sector we must confess that although Hitler could hardly take it over by telephone as has been alleged if he won the battle of Europe, he was in an excellent position to bring about the quick demise of the Monroe Doctrine in most of the area south of the equator, save Peru.

Let us take a brief glance at the situation in this northern section.[6] Starting with Colombia, we find there are only about 4000 Germans but they were very well organized and some of them owned large and strategically located estates, with reference to the great oil pipe-lines. One of these, a 2500 acre tract south of Cartagena, owned by Dr. Hans Neumüller, an ardent Nazi, is only a stone's throw from an oil pipe-line that delivers 54,000 barrels daily. Another Nazi, Adolph Held, owned an extensive estate across from Tenerife, where the Andean pipe-line crosses the river. Held, who incidentally is on the United States blacklist, had two air fields upon his estate.

Up to 1939 the German air line Scadta—the oldest commercial line in South America, was a direct threat to the Panama Canal.

[6] The facts presented in this chapter are based for the most part upon information obtained in the various United States embassies and legations in South America where the writer on a recent trip was given every opportunity to survey the situation.

It was finally taken over by Arianca, a line owned partly by Pan American Airways and partly by the government of Colombia. The small German Arco line which controlled some forty landing fields in Southeastern Colombia only about 500 miles from the Panama Canal resisted all efforts to take it over until the autumn of 1941. In his broadcast of September 11, 1941, President Roosevelt mentioned a German air field between Barranquilla and Cartagena on the Neumüller estate which the Colombian government promised to investigate immediately.

Although the leader of the Colombian conservatives, Dr. Laureano Gómez, formerly minister to Germany, is reported very anti-Yankee—the taking of the Canal Zone via Panamanian independence still rankles—the United States' present position is too strong to cause us much worry. The country with an investment of a quarter of billion dollars which controls the oil industry and takes most of Colombian coffee, bananas and platinum has a full house before the draw. The well arranged visit of President-elect Alfonso Lopez to the United States in the summer of 1942 strengthened materially the bonds of friendship between the two countries.

There is no Nazi problem for the United States in Venezuela. Living principally upon oil which American and British companies control, the government is pro-United States and pro-British. We have a naval mission there and our new base at Trinidad will completely control the approach by sea. Port of Spain in Trinidad is on the direct line of the Pan American Clippers from Miami to Rio and on the East-West run Pan American joins Port of Spain with La Guaira, Maracaibo and the Panama Canal. A mere glance at the map shows the strategic value of this service. With less than five thousand Germans to work upon, Herr Goebbels has wasted little time in Venezuela. In fact Venezuela was the first republic of South America to sever diplomatic relations with the Axis powers.

Ecuador, which straddles the equator, has about 6000 Germans and the names Hindenburg and Adolph Hitler are still found on its busses. Where the United States had a minister, a diplomatic secretary, and a naval attaché with three or four clerks

in its legation,[7] Germany had, until the severance of diplomatic relations, a staff of twenty-five. Where we had a half dozen in our consulate in Guayaquil, Germany had three times as many. The Sedta Air line—a German company—was formerly a real threat to the Panama Canal but Panagra first duplicated its runs and finally brought about its suspension. The United States has recently sent two missions, one naval and one military, to take the place of the Italian military mission withdrawn in 1940. It has been reported that Ecuador has leased us a base on the Galapagos Islands—a concession which would be of as great a strategic value in the Pacific as Trinidad is in the Atlantic. The Nazis tried to fish in the troubled waters of the boundary dispute between Ecuador and Peru, but their catch was inconsequential.

Peru has long been regarded as very friendly to the United States. Standard Oil of New Jersey has a monopoly of its oil, the Cerro de Pasco Mining Corporation controls Peru's copper and much of its gold and silver. The Vanadium Corporation is American and W. R. Grace and Company, an American concern, runs the Grace Line to the West Coast, has sugar and cotton plantations and is half owner of Panagra. The Japanese and the Italians far outnumber the Germans, and Nazi efforts have been completely checkmated. The great German sugar family, the Gildermeisters, are not Nazis; in fact, there is some Jewish blood in the direction of Casa Grande, their vast sugar company. The fact that the Peruvian military airport at Talara was built entirely out of German materials was due to the same reason that the American Cerro de Pasco Company had their aerial tramway built by a German company—the Nazi bids were lower.

In 1941, resenting German violation of governmental regulations, Peru canceled the Lufthansa Airway Service, confiscated its planes and gave the rights to Panagra. It also nationalized the Italian Caproni airplane plant, sent the Italian air mission home and invited in an American mission. For years we have had a naval mission in Peru and now an American is chief of staff of the Peruvian army. Although one of the principal newspapers, *El Commercio* of Lima was decidedly pro-Nazi and some of the

[7] The United States has raised this post to an embassy.

leaders in the army had decidedly Nazi predilections, the Gestapo organization found to its dismay that President Manuel Prado was friendly to the United States, and his foreign minister, Solf y Muro, almost equally so; even the famous Aprista, Haya de la Torre, formerly very critical of Uncle Sam, is a strong believer in the Good Neighbor Policy. When the United States declared war upon Germany, Peru promised the United States every assistance; at the Rio Conference she made good on her promise and before the conference adjourned, she broke all diplomatic relations with the Axis powers.

Coming to the larger and more important part of South America south of the Equator the situation is not so satisfactory. In Bolivia, Chile, Argentina, Uruguay and Brazil the Nazis are more numerous and better organized. It is in this area that Germany made the greatest economic advances and her political infiltration was most powerful. Commercial inducements, military missions, schools, news services, radio programs, every instrumentality for drawing this tier of states into the orbit of the swastika was effectively used. And coördinating all these subversive activities were the German embassies, legations, and consulates whose officers, abusing their privileges and immunities, served as agents for Dr. Goebbels' Ministry for National Enlightenment and Propaganda, and Heinrich Himmler's even more dangerous Gestapo organization known as U. A. 1 (*Überwachtungsstelle Ausland*). It has been in this region that the destruction of democratic morale by the promulgation of subversive propaganda has been most aggressively conducted.

Bolivia, the least important of these countries in influence, but of vital importance to the United States because of its tin, is still suffering a bad hangover from the Chaco War. Whatever the real causes, Bolivia believed that her army trained by the German General Hans Kundt could easily conquer backward Paraguay. When it failed, a whipping boy was required and Standard Oil was at hand. Its $17,000,000 property was confiscated. The President at the time was German Busch, who immediately afterwards set up a totalitarian state with himself at its head. When

he committed suicide or was assassinated in 1939, the Nazi press claimed it was murder and the United States was in some way cause of it. But whatever the cause, the results have been disastrous for the Nazi organization. When the European situation became very serious, Bolivia immediately turned towards the United States, in spite of the fact that three-fourths of the big firms in Bolivia are German and German propaganda both by radio and by press flooded the country. When in May, 1941, the United States made a deal to purchase Bolivia's total production of tungsten for three years for about twenty-five million dollars, and at the same time was able to force out the important German Lloyd Aereo Boliviano with its 4000 miles of airways and substitute Panagra, Nazi elements attempted a *coup*. But before the putsch came off, President Peñaranda acted. A letter from the Bolivian military attaché in Berlin to the German minister in La Paz fixing the date for the *coup d'etat* was intercepted and published. Although the German minister declared it was a forgery, he was dismissed, a number of pro-Nazi Bolivians arrested, four pro-Nazi newspapers closed and the Nazi menace in Bolivia was eliminated at least for the time. To strengthen the new situation the first air mission from the United States to Bolivia was sent in November 1941 to take the place of the hitherto well entrenched Italian advisors. When the United States entered the war, Bolivia immediately accorded us non-belligerent status, and early in 1942, severed diplomatic relations with Germany and Japan. On April 7, 1943, Bolivia formally declared war upon the Axis powers and on April 20 she declared her adherence to the principles of the Atlantic Charter.

To North American travelers, Chile seems the nearest approach to home of any of the Latin-American republics. To North American financiers, the riches of the Chilean Andes have encouraged investments to the value of over a half billion dollars: Guggenheim in nitrates, Anaconda-Kennecott and Braden in copper, Bethlehem in iron. To the Germans, Chile has beckoned agriculturally. The earliest German colonists in South America settled in Chile in the 16th century. In 1840 many families came

and by the 50's there were some 2000 Germans in Chile—for the most part engaged in agriculture in the southern provinces from Valdivia to Puerto Montt. Later Germany sent engineers and officials to the nitrate fields and military missions to the Chilean army. Authoritative sources give these estimates as to the present German population of Chile: About 18,000 born in Germany; 40,000 of German descent; 20,000 of mixed marriages and 9,000 refugees, mostly Jews, making a total of 87,000.

The Germans in Chile whether in commerce, agriculture or industry have not only retained their identity but have maintained close connections with the Reich. Therefore, with the advent of Hitler a fallow field was afforded to his agents of propaganda. The German embassy at Santiago was enlarged to eleven principal officers not counting clerks (40 employees in all), some of whom under the title of press and cultural attachés devoted all of their time to preaching the gospel of Nazism. It was claimed that the German embassy spent over $100,000 a month on this work, a considerable part of which was obtained by forced levies on German firms and nationals. It has been asserted that the Nazi propaganda in Chile, carried on by the press, the radio, and the hand-outs from the German embassy has been so overpowering that it has brought about a confusion of ideas in the minds of the Chilean people as to just what are the national ideals, with a corresponding weakening of faith in democracy.[8]

The Chilean army is modeled to a considerable extent upon the German system. In fact, until recently, for almost fifty years German army officers on missions have advised as to its training. The Mauser rifle is still used and the Krupp factories furnished its artillery. The military police known as *carabineros* were also German trained—their former instructor Otto von Zipellius was regarded as chief of the Nazi party in Chile. In June 1941 the German government presented a schooner for training purposes to the Chilean navy and in presenting it Ambassador von Schoen declared that a new link had been forged between the German and Chilean navies.

[8] See Hugo Fernandez Artucio, *The Nazi Underground in South America* (New York, 1942), p. 162.

Chile had several makes of planes in her air force of about 100, German, Italian and American—but the majority were German. This situation, however, has already changed since the aviation mission from the United States is very popular and even before its arrival, Chilean pilots preferred the American models. In fact, the new national defense program provides for the purchase of 200 bombing and pursuit planes from the United States.

There are a considerable number of primary and secondary schools in Chile whose curricula are entirely in German. But the excellence of the Chilean public school system—it is one of the best in South America—has made Chile's problem of the foreign language school less serious than it is in Argentina and Brazil. However, in the very excellent Santa Maria Technical College at Valparaiso, with a five million dollar endowment which is sufficient not only to give free tuition but also free board and room to the fortunate students who enter by competition, all of the professors are German as is most of the technical equipment. The founder's will excluded Chileans as professors—its faculty was to consist of real rather than political scientists—and the committee in charge found a German faculty most suitable for the institution's needs.

Since Chile controls the only other water route between the Atlantic and Pacific except via the Panama Canal it is vital for the United States to keep the Straits of Magellan open. In spite of the overwhelming German character of the population in the southern territories, Nazi principles have never been overly popular. The success of Hitler kindled in some the pride of race but the majority were well content to have *der Führer* win his victories in Europe. Furthermore, the Popular Front government is completely awake to the totalitarian menace and some twenty-odd Congressional investigations have been instituted. In fact, during the month of September 1941, there was a complete round-up by the police of alleged leaders of Nazi activities. The United States is popular with the Chileans, and with the return to Chile of the eight Chilean newspapermen who, through the invitation of Ambassador Bowers, lived the life of American reporters, and the still larger number who have come as guests of the

United States under the auspices of the Coördinator's Office the neighbor to the North should be even better understood than before.

It must be confessed that Chile's attitude in refusing to sever relations with Germany and Japan at the Rio Conference seemed to indicate that Nazi propaganda had been more successful than the United States had expected. Nevertheless, when Chile's new President, Juan Antonio Rios, accepted President Roosevelt's invitation to visit the United States in October 1942, it was thought in many quarters that Chile would break with the Axis powers before that time. When it was evident that Chile intended to remain neutral for the time being, Sumner Welles forced the issue by declaring publicly that Axis espionage in certain South American states had resulted in the sinking of ships and the loss of lives in the western hemisphere. Although Chile vigorously protested and postponed the Rios visit, a change in Chilean foreign ministers followed and the new cabinet took a strong stand against all German nationals accused of subversive activities. With public opinion now thoroughly aroused the Chileans finally took the decisive step and broke relations with the Axis powers on January 20, 1943.

For many reasons Argentina may be regarded as the focal point of Nazi propaganda in all Latin America. The Argentine Republic has a larger percentage of its nationals who were born in Europe than any other Latin American republic and of these, some 60,000 were born in Germany. Another 125,000 were born in Argentina but of German parents. This gives the Argentinian a natural predilection for Europe rather than for the "crude aggressive Caliban" of the north. Coupled with this European background goes the natural jealousy of the most important Spanish-speaking republic in the Western Hemisphere in its relations with the greatest English-speaking power. Since Argentina cannot hope to surpass us she can at least disregard us, or as has been aptly said, "since Argentina can't be the head of America she has decided to be the tail of Europe." Another even more vital factor is the competitive character of the products of the two countries.

The principal exports of Argentina are beef, grains, hides, and wool, all of which are raised and to some extent exported by the United States. And, in addition, the United States' tariff policy and quarantine regulations have been such as to attack the Argentinian both in his pocketbook and his pride. Finally, a very important cause of Argentine dislike of the United States has been Nazi propaganda. Over the air waves, in the press, by moving pictures, by personal approach the superbly organized Nazi publicity campaign sought to belittle the United States and to distort its motives.

The center of the German propaganda organization has been the German Embassy in Buenos Aires. Ambassador von Thermann had the largest staff of any foreign mission in Argentina. In addition to the counselors and regular diplomatic secretaries, there were press and cultural attachés whole sole function was propaganda. The German Embassy with its staff of over forty, was almost twice as large as the United States Embassy and Consulate General combined. It has been estimated that its annual expenditures were more than ten times the amount available to the embassy of the United States. The German government maintained fourteen consulates outside of Buenos Aires, the United States one, and that only recently established. The Embassy saw to it that copies of Hitler's speeches translated into Spanish were mailed to all post office boxes within two days after their delivery. The Embassy also issued a mimeographed daily bulletin entitled "Off Cable News from Berlin," the general tone of which was decidedly anti-United States and anti-British.

The Nazi organization in Buenos Aires was founded in 1933 by an employee of the Banco Germanico under the name of the German Benevolent and Cultural Society. This organization possessed an elaborate card index of the names of German nationals giving the business and family connections of the individual including those living in the Reich. All social affiliations were listed and the individual's income and its sources. It was expected that a minimum of 10% would be contributed for the needs of the organization and collection was made regularly by accredited agents. If payment was not made, pressure was used; if that was not

sufficient the Gestapo had harsher means and finally if necessary, close relatives in Germany paid the penalty for the recalcitrant objector.

The Argentine army is very sympathetic to Nazi influences which is natural, since for twenty-five years it has been advised by German military missions. When the mission was not reappointed in 1940 its chief, General Niedenfuhr, was made military attaché, dividing his time between Rio and Buenos Aires. The retired officers, who are still very influential are particularly pro-Nazi. General Juan Pistarini, former Commander of the Second Division of the Argentine army, was alleged to be a close friend and admirer of the German officer group. It is no secret that the Minister of War has made several investigations as to the spread of Nazi propaganda both in and by the Argentine army.

On the other hand, the Argentine Navy has had for several years a naval mission from the United States and recently the United States has sent an aviation mission. This latter mission has made a very fine impression and it is hoped that it may prove to be a strong counter-irritant to the Nazi influences in the army.

The Nazi influence in the school system of Argentina is particularly strong. The German schools are the most important in numbers and influence of all the foreign schools in the Republic. Out of 284 foreign schools 203 are German, with an approximate attendance of 13,500 pupils. Some 22 of these institutions are in Buenos Aires with an attendance of about 5000. Among the best known are the Goethe Schule, the Germania Schule, and the Colegio Aleman. The majority are under the strict control of an Inspector from the Ministry of Kultur in Berlin.

Since Argentina possesses undoubtedly the most influential and best informed newspapers in South America, the Nazis have paid particular attention to the press in Buenos Aires. On the whole, the most outstanding Argentine newspapers, *La Prensa, La Nación, El Mundo* and *La Razón* are objective in their reporting, and although critical of our tariff policies they are otherwise quite friendly to the United States. Even the more sensational papers such as *Crítica* and *Noticias Gráficas* are pro-British and anti-

Nazi; therefore the Nazis had to establish their own organs. They first took over the old *Deutsche La Plata Zeitung,* gave it a Spanish language supplement and colored the news and editorials with pro-Nazi hues. Next they got control of *Crisol* which commenced a series of vitriolic attacks upon President Roosevelt, whose name they alleged to be Rosenfeldt. The Good Neighbor policy was merely camouflaged Yankee imperialism. They even alleged that United States interests were responsible for the death of President Busch of Bolivia because he had nationalized the oil fields. In 1940 the Nazis set up a new so-called nationalistic newspaper called *El Pampero* with an elaborately equipped establishment. Its monthly stipend from the German embassy was 60,000 pesos and it had a forced subscription among the Nazi organizations and a wide distribution in Argentine army circles. It attacked the United States and Great Britain upon every possible occasion. It intimated that Britain's next move would be to cede the Falkland Islands to the United States; it suggested that the United States caused the death of President Estigarribia of Paraguay because his patriotism would not permit him to carry out certain promises.

One favorable development should be noted in regard to the attitude of the Argentine press towards the United States. The per cent of news concerning the United States as compared with the total news with a foreign date line was 11.39 in *La Nación* in 1939 and 10.64 in *La Prensa.* In 1941 it had risen in *La Nación* to 22.46% and in *La Prensa* to 27.36%. As a result the Argentinian reader is given a more thorough and sympathetic understanding of the present attitude of the United States. The sensational findings of the Congressional investigation commission under Deputy Taborda have been so damaging to Nazi activities that a resolution of censure for Ambassador von Thermann was passed and Press Attaché Sandstede slipped away to Rio by plane to avoid being questioned. One definite result was the projection of a bill to limit the size and quantity of diplomatic pouches and to impose strict regulations on totalitarian news agencies and pro-Axis newspapers.

Argentina is still indoctrinated with Nazi propaganda and she

was successful at the Rio Conference in preventing the passage of a resolution sponsored by Colombia, Mexico, and Venezuela declaring that the American republics "cannot continue diplomatic relations with Japan, Germany, and Italy." In its place was substituted the more innocuous wording recommending rupture with the Axis powers. Up to date Argentina has not followed the recommendation. Even the sinking of the Argentina vessels by German submarines, the *Victoria* on April 17 and the *Rio Tercero* on June 22, 1942, did not arouse the pro-Nazi Castillo government. The cowardly attack upon Waldo Frank by Nazi supporters while he was a guest of a group of Buenos Aires *literati* was not surprising considering the lawless character of the Nazi propaganda. That the government itself should have ordered his eviction for criticizing its pro-Nazi attitude proves the effectiveness of Nazi efforts to destroy democratic morale in the greatest of the Spanish-speaking republics in the Western Hemisphere.

It was hoped that the military revolt of June 4, 1943, which forced the resignation of President Ramón S. Castillo, might bring about a break with the Axis powers. However, the new government of General Ramirez, although promising loyal coöperation with the other American republics, declared for a continuation of the previous policy of neutrality. In spite of popular demonstrations in favor of the democracies, the provisional government suppressed the Communist newspaper *La Hora* and permitted the pro-Nazi *El Pampero* to continue publication.

Uruguay has long rivaled Brazil and Peru in her friendship for the United States; nevertheless the small but effective Nazi organization here went so far as to prepare a plan by which German technicians after an insurrection were to take over the work of Uruguayan officials and transform the state into a German agricultural colony. Much credit is owing to Professor Fernández Artucio for unearthing the plot and disclosing it in a book entitled "Los Nazis en el Uruguay." He followed it up with numerous radio addresses appealing for Congressional action. Congress finally investigated and found so much evidence that twelve leading Nazis were arrested. They were later released, but in September 1940

eight of them were rearrested and charged with treason against the state. The German subversive organizations were dissolved, their newspapers and radio suspended for a period and all activities driven under ground. It is reported that the Counselor of the German embassy in Rio publicly declared in March 1941 that "Montevideo is our weakest spot in Latin America."

Paradoxically enough, Brazil which has long had the closest commercial and political ties with the United States of all Latin America has at the same time the most dangerous Nazi organization in South America. It is in Brazil that we find by far the largest number of Germans, about 50,000 born in the Reich, and a million to a million-and-one-half of German blood. They are for the most part concentrated in the Southern states of São Paulo, Paraná, Santa Catharina and Rio Grande do Sul. What is perhaps even more serious is that the Nazis have to a considerable extent joined up with the Integralista party. Although all political parties have been banned by President Vargas, the government still has a wholesome respect for the great number of its citizens which are still partial to their former affiliations.

The German Embassy in Rio in 1941 was known to have available some two-and-a-half million dollars for propaganda purposes. Former Ambassador Karl Ritter became so obnoxious to the Brazilian government through his opposition to the suppression of local Nazi organizations and to his support of one of the members of his embassy accused of complicity in the Integralista coup of 1938 that he was finally declared *persona non grata*. The cultural attaché of the Embassy was also the chief of the Trans Ocean News Agency which purveyed radio and cable news from abroad to all Latin American newspapers that would take it. There are some twenty-eight papers in Brazil alone which subscribed to its services. The German embassy was the largest of all the foreign representations. It had one of the most magnificent residences in Rio and its chancellory took even more extensive quarters since the War. It is difficult to state the exact number who were employed inasmuch as a large number of its clerks and employees were not listed in the diplomatic list, but

it has been estimated that its total staff was over a hundred. At the request of the German Embassy, the Brazilian Minister of War, General Dutra, and the Brazilian Chief of Staff, General Goes Montero, were decorated in 1940 for their valuable services to Germany in Brazil.

Closely in touch with the German Embassy were many important commercial concerns such as Compania Chimica Merck, Bayer Ltd., and various banks and motor companies. The Condor Syndicate was the most important airway in South America, except for Pan American. It formerly coöperated with the Italian L.A.T.I. which flew till recently from Dakar to Natal, and its network of lines spanned many areas of strategic rather than commercial value. The inability to obtain fuel and make essential repairs finally grounded it even before Brazil declared war upon the Axis powers.

The German Protestant Church in southern Brazil was impressed into the propaganda machine. It was reputed to have some 200 pastors and bishops who served as Nazi agents. At one time it was estimated that there were 3000 German schools in southern Brazil and the number of German cultural, benevolent, and athletic societies was legion.

In spite of this Axis predominance, the Vargas régime was able gradually to impose a series of restrictive measures. Portuguese was made compulsory in the schools, the foreign language press has been forbidden, all airplane pilots had to be Brazilian nationals, and alien political activity was strictly prohibited.

The Japanese attack upon the United States strengthened the hands of President Vargas and Foreign Minister Arañha in their efforts to strengthen continental solidarity. Señor Arañha played a leading role at Rio in bringing about a break with the Axis powers. When German submarines began to sink Brazilian ships, President Vargas decreed corresponding confiscation of Nazi assets in Brazil. All fifth column suspects were rounded up and interned. When finally five Brazilian ships were sunk in three days in August, President Vargas hesitated no longer. Brazilian aircraft were ordered to sink Axis submarines on sight and on August 22, 1942, a formal declaration of war was issued. The results of

years of Nazi propaganda were wiped out when the concrete evidence of Nazi methods was brought home to the Brazilian people.

The United States has been doing its share to combat Naziism and its ideologies in all parts of South America. Missions, military, naval, and air, have been made available to all. Loans for defense, stabilization, or constructive purposes of any sort may be readily obtained. Economic and technical experts may be had for the asking. And, as a more positive procedure, the elaborate black list of all firms affiliated with or utilizing German companies or their products has proved to be very effective. Hemisphere defense and Pan American unity are no longer empty phrases, the Rio Conference has made them a going concern. The devastating attacks upon democratic morale have failed utterly to weaken the solid foundations of continental solidarity, strengthened by the Good Neighbor Policy and the all American doctrine of Monroe.

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CHAPTER IV

ANGLO-AMERICAN ISTHMIAN DIPLOMACY

FROM the time when Columbus started on his famous quest of a new route to an old world, a shorter waterway from Europe to farther Asia has been the dream of navigators. Columbus believed that he had found a new route to India, but he realized that there remained the task of finding a passage by which he could cross between the great land masses and circle the globe. With the discovery of the Pacific by Balboa, the search for the secret of the strait was prosecuted with increased diligence, but in vain. Magellan finally discovered the secret, but his solution *via* the Straits of Magellan or Cape Horn was too long to be satisfactory, and the quest continued. When Cortez, by numerous expeditions, became virtually certain that no natural waterway connected the two great oceans, he proposed to construct one. Charles V took much interest in the project; and, according to the historian Gomara, four routes were considered practicable, *i.e.*, those of Darien, Panama, Nicaragua, and Tehuantepec.[1] Thus not only was an inter-oceanic canal regarded from the earliest times as feasible, but the four routes considered most practicable up to our own time were among the first to be considered.

Early in the nineteenth century new interest in the idea was provoked by the interesting surveys and reports of the great scientist Alexander von Humboldt. After five years of exploration in Central and South America, he urged the construction of an artificial waterway, and he went so far as to discuss the possibilities of nine different routes, although he, too, regarded the four routes already mentioned as particularly worthy of investigation.[2]

[1] See Report of J. T. Sullivan on *Problem of Interoceanic Communication, House Executive Document No. 107*, 47th Cong., 2nd Sess., Chaps. I and II.

[2] For complete citations see *House Report No. 145*, 30th Cong., 2nd Sess., pp. 169-204.

Spain was finally aroused once more to the advantage that would accrue to her through the possession of such a waterway, and in 1814 the project was authorized by the Cortes. With the outbreak of the revolutions throughout Latin America the project lapsed, and it remained for the newly liberated republics to resume its consideration. As early as 1823 the matter came before the congress of Central America, and in the following year Señor Cañas, the diplomatic representative of this federation at Washington, drew the attention of the United States to the importance of a canal linking the two oceans and urged that the United States coöperate with his country in the construction of such a waterway. Henry Clay, Secretary of State, was interested in the project and promised to instruct the American representative to investigate and make a report.[3]

At approximately the same time the United States was invited to send representatives to the Panama Congress, called at the instance of Bolívar, at which the canal question was one of several subjects to be considered. Owing to strong opposition in Congress, the American representatives were not sent until it was too late to participate in the congress, but in their instructions the canal project was considered a proper subject for consideration. The sole limitation was that such a canal should not be under the control of any one nation, "but its benefits be extended to all parts of the globe upon the payment of a just compensation or reasonable tolls."[4] Although nothing substantial came of the Panama Congress, the importance and need of a trans-isthmian canal persisted, and in the next few years various projects were launched. An American company obtained the concession for a canal in Nicaragua; but, although the cost was estimated at only five million dollars, that sum could not be raised. The King of Holland, who had been represented by General Werweer at the Congress of Panama, also obtained a contract to construct a canal by the Nicaragua route; a company was formed, and the United

[3] *House Report No. 322*, 25th Cong., 3d Sess., pp. 15, 16.

[4] J. B Moore, *Digest of Int. Law*, Vol. III, p. 2, or *Report of International American Conference*, Vol. IV, Hist. Index, pp. 143 *ff.*

States was sufficiently interested to consider the desirability of obtaining a majority of the shares. The revolution in the Netherlands, resulting in the separation of Belgium from Holland, forced an indefinite postponement of the project.[5]

The Panama route was also being seriously considered at this time, and Bolívar went so far as to have the route surveyed. But the engineers reported that there was a difference of three feet between the levels of the two oceans, a factor that enormously increased the difficulty of the project. Nicaragua realized the particular interest that the United States had in an interoceanic canal, and on June 16, 1825, the congress of the Central American Confederation passed a decree offering liberal concessions to stimulate the construction of a canal. Bids were received and the contract was awarded to an American financial group; whereupon a company, capitalized at five million dollars, was formed under the name of the "Central American and United States Atlantic and Pacific Canal Company." Sufficient funds, however, were never subscribed.[6] About a decade later, in reply to another decree of the Central American congress offering the United States prior rights, a Senate resolution authorized the President to open negotiations with the governments of both Central America and New Granada in regard to protecting the rights of such companies as should undertake to open communication between the Atlantic and Pacific oceans, and to secure forever "the free and equal right of navigation of such canal to all nations, on the payment of such reasonable tolls as may be established." [7] President Jackson appointed Mr. Charles Biddle to undertake the necessary negotiations. But Biddle did not carry out his instructions in the proper fashion, and in his next message to Congress the President declared it inexpedient to enter into negotiations with foreign governments upon the subject.[8] President Van Buren sent Mr. John L. Stephens upon a similar mission in 1839, but after surveying the route and estimating the cost at twenty-five millions, he de-

[5] *House Report No. 322*, pp. 17-33

[6] *Ibid.*, p 125.

[7] J. B. Moore, *op cit.*, Vol. III, p. 3.

[8] *Senate Journal*, 24th Cong., 2nd Sess., p. 100; for Biddle's report see *House Report No 322*, 25th Cong., 3d Sess., pp. 38-44.

clared that in his opinion the country was too unsettled to risk the undertaking.[9]

Among the most interesting of the early projects for a canal was the one launched by Prince Louis Napoleon while he was a prisoner in the fortress of Ham. In 1845 he secured a concession from the Nicaraguan government for the construction of a canal, and when he finally escaped, he published a brochure on the subject, pointing out the possibilities of the Nicaragua route and emphasizing the great political interest of England in the execution of this project to create a new center of enterprise in Central America, which would prevent any further encroachments from the north. With the fall of the July monarchy, Louis Napoleon found more interesting and vital matters to engage his attention.[10]

It was about this time that the United States took the first important step to secure control of the trans-isthmian route in Panama. On December 12, 1846, the American *chargé* signed a treaty with the Republic of New Granada, which, among other things, guaranteed to the United States "that the right of way or transit across the Isthmus of Panama upon any modes of communication that now exist, or that may be hereafter constructed, shall be open and free to the government and citizens of the United States"; and in return the United States guaranteed to New Granada "the perfect neutrality of the before-mentioned isthmus, with the view that the free transit from the one to the other sea may not be interrupted or embarrassed in any future time while this treaty exists." As a natural corollary, the United States also guaranteed the sovereignty of New Granada over this territory.[11] In other words, although "perfect neutrality" clearly meant that all nations should have equal right to free passage across the isthmus, and was so interpreted by Polk in his message to Congress, February 10, 1847,[12] it was understood both by

[9] *House Report No 145*, 30th Cong., 2nd Sess., p. 236.

[10] See B. Jerrold, *The Life of Napoleon III* (London, 1874), Vol II, pp. 320-330.

[11] W. M. Malloy, *Treaties, Conventions, etc., of the U. S* (Washington, D. C., 1910), Vol. I, p. 302.

[12] J D. Richardson, *Messages and Papers of the Presidents*, Vol. IV, p 512.

the President and the Senate that by guaranteeing this neutrality the United States accepted a responsibility that was justified only because of the fundamental importance which the trans-isthmian route already possessed for the United States. This treaty was approved unanimously by the United States Senate.

Owing to the discovery of gold in the recently acquired California, the importance of the treaty was speedily demonstrated. The difficulties of overland travel were such that the sea route, with the short passage across Panama, became the most practicable avenue for the great horde of gold-seekers and settlers. Relying upon the terms of the new treaty, an American company constructed a railway across the isthmus from what is now Colon to Panama—a road that, since its completion in 1855, has been one of the most profitable short lines ever laid down. Another American company established a second interoceanic route through Nicaragua, by means of the lakes and short stretches of land travel, but it never attained the success of the Panama Railroad route.[18] It was in connection with the rights to construct a canal by the Nicaragua route that the United States came into conflict with Great Britain, a conflict that was settled only by the much criticized and wholly unsatisfactory Clayton-Bulwer treaty.

The attempts of Great Britain to obtain territory in Central America dated back to the seventeenth century, and, although her claims rested upon very uncertain grounds, by the middle of the nineteenth century she had practically established her sovereignty over the Mosquito Coast, the Bay Islands, and Belize. When, however, in 1848 Great Britain forced the withdrawal of the Nicaraguans from San Juan del Norte (Greytown)—a certain terminus of any interoceanic canal through Nicaragua—the United States deemed it necessary to act. Secretary Buchanan sent Mr. Hise as a special agent to Nicaragua in 1849, but with very indefinite instructions as to what action he should take, other than a vague implication that the Monroe Doctrine should be maintained. Hise succeeded in signing a convention giving the United States rights virtually equivalent to those acquired in the treaty of 1846 with New Granada. But, as this directly contravened the

[18] For a more complete account of this undertaking see Chap. XIII.

British claims, our government was not ready to back up his negotiations.[14]

The administration of President Taylor, which had come into office the same year, despatched a new emissary, Mr. Squier, to negotiate with Nicaragua, with the admonition that he should not involve the United States in any unnecessary controversy. He not only signed a treaty with Nicaragua obtaining the concession for the canal, but also another with Honduras, whereby the United States virtually obtained control of Tigre Island in the Gulf of Fonseca. When the British Government answered this action by sending a squadron which took possession of the island, the United States found itself in an awkward predicament.[15] It was necessary to come to an agreement with Great Britain, and Mr. Lawrence, the American minister at London, entered into negotiations. When, however, he demanded that as a preliminary to the settlement of the question Great Britain should withdraw her protectorate from the Mosquito territory, Lord Palmerston was unwilling to continue. In his anxiety to settle the dispute, Mr. Clayton, the American Secretary of State, decided to go over the head of his representative and come to a settlement, if possible, with Sir Henry Bulwer, the British minister at Washington. The British representative saw the advantage of coming to an agreement at a time when the United States was willing to compromise, and the famous Clayton-Bulwer treaty was negotiated.[16]

The principal provisions of this treaty may be summarized as follows: Great Britain and the United States promised never to obtain or maintain any exclusive control over the proposed Nicaragua canal; they would neither erect fortifications commanding the canal, nor occupy, colonize, or exercise dominion over any part of Central America; the two powers agreed to guard the safety and neutrality of the canal and to invite other nations to join with them in doing the same; they promised to support any

[14] For text see *Senate Executive Document No. 112,* 46th Cong., 2nd Sess., p. 92.

[15] For text and correspondence see *British and Foreign State Papers,* Vol. XL, pp. 997-1002; also Chap. XIII.

[16] For correspondence see *Sen Ex. Doc. No. 194,* 47th Cong., 1st Sess., pp. 55-82.

company that would construct the canal in accordance with the spirit of the convention; and finally, in order to establish a general principle, they agreed to extend their protection to any other practicable communication, whether by canal or railway, across the isthmus, and particularly to the proposed interoceanic communication by way of Tehuantepec or Panama.[17]

Hardly had the treaty been signed before difficulties arose concerning its interpretation. Great Britain regarded the treaty as definitely establishing her rights in the regions to which she had already laid claim, future settlements only being prohibited, while the United States confidently expected that the British would immediately withdraw from the Mosquito Coast and the Bay Islands. When Great Britain continued to maintain her position on the east coast of Nicaragua, and when in 1852 she formally annexed the Bay Islands by proclamation, her interpretation of the treaty seemed to be receiving *de facto* recognition. However, the United States continued to protest, and by a supplementary agreement, known as the Dallas-Clarendon treaty of 1856, an attempt was made to settle the question by the withdrawal of the British protectorate from the Mosquito Indians in return for obtaining a protectorate over the Bay Islands under the nominal sovereignty of Honduras.[18] When this convention failed of ratification, another attempt was made the following year, but with similar results; so that President Buchanan, in his message of December 8, 1857, declared that the wisest course would be to abrogate the treaty by mutual consent.[19] Great Britain was willing, provided that the United States would accept the *status quo ante* as the basis of the abrogation. But, as this was the last thing that the United States desired, the President did not press the matter. When, in 1860, the British signed a treaty with Nicaragua restoring a nominal sovereignty over the Mosquito Coast, the United States was forced to accept this solution.[20] A treaty of amity and commerce

[17] For text with accompanying notes see Hunter Miller, *Treaties and Other International Acts of the United States of America* (Washington, D. C., 1937), Vol. V, pp. 671-703.

[18] *Sen Ex. Doc. No. 194*, p. 138.

[19] *Ibid.*, p. 126.

[20] *Ibid.*, p. 151.

between the United States and Nicaragua, signed at Washington, November 6, 1857, known as the Cass-Yrisarri treaty, gave the United States equal rights with Nicaragua over any interoceanic route, in return for a guaranty of neutrality. This treaty, however, was never ratified by the Nicaraguan congress.[21]

During the Civil War period the United States was forced to lay aside both the Monroe Doctrine and all projects for the construction of an interoceanic waterway. Hardly, however, had the war come to an end before interest in a trans-isthmian canal revived, and at the same time feeling grew stronger that the waterway must be under American control. In 1867 the United States and Nicaragua ratified the Dickinson-Ayon treaty, which gave the United States the right to construct a canal in return for guaranteeing Nicaragua's neutrality.[22] About the same time Mr. Seward entered into negotiations with Colombia to obtain exclusive rights for an isthmian canal, and a treaty to this effect was signed in 1869, but was not ratified either by the Senate of the United States or by the Colombian congress. An even more advantageous treaty, signed by the representatives of the two countries in 1870, met a similar fate.[23] In the same year President Grant appointed an Interoceanic Canal Commission, which conducted a number of important surveys, including the Darien, Nicaragua, Tehuantepec, and Panama routes, and after very careful consideration of the data obtained reported unanimously, in 1876, in favor of the Nicaragua route, from Greytown to Lake Nicaragua by the San Juan River and thence to Brito on the Pacific coast.[24]

In the meantime an adventurer, Gogorza, appeared in Paris with a canal concession obtained from Colombia, and succeeded in interesting certain of the imperialists in the scheme.[25] A company was promoted to push the project, and Ferdinand de Lesseps, justly famous as the builder of the Suez Canal, became interested in it. Surveys were made, and an International Engineering Congress was held at Paris in 1879, under the presidency of de Les-

[21] *Ibid.*, p. 117.
[22] *Sen. Ex. Doc. No. 112*, p. 130.
[23] *Ibid.*, pp. 34-84; also see *House Report No 224*, 46th Cong., 3d Sess., p. 24.
[24] *Sen. Ex. Doc. No. 15*, 46th Cong., 1st Sess., p. 1
[25] *Foreign Relations of the U. S.*, 1876, pp. 87-93.

seps, to consider the execution of the project. Various routes were considered, but de Lesseps favored the Panama route and his advice was ultimately taken. The Universal Oceanic Canal Company purchased a concession for $10,000,000; its president, de Lesseps, went to Panama; and early in 1880 he announced that plans had been completed for a tide-level canal whose cost was estimated at $168,000,000 by the International Technical Commission.[26]

The prospect of early construction of an interoceanic canal under European control aroused the United States, and President Hayes took occasion to present his views of such an undertaking in a special message to Congress, March 8, 1880. "The policy of this country," he said, "is a canal under American control. The United States cannot consent to the surrender of this control to any European powers. If existing treaties between the United States and other nations, or if the rights of sovereignty or property of other nations, stand in the way of this policy, . . . suitable steps should be taken by just and liberal negotiations to promote and establish the American policy on this subject, consistently with the rights of the nations to be affected by it. . . . An interoceanic canal across the American isthmus will essentially change the geographical relations between the Atlantic and Pacific coasts of the United States and between the United States and the rest of the world. It will be the great ocean thoroughfare between our Atlantic and Pacific shores and virtually a part of the coast-line of the United States. Our mere commercial interest in it is larger than that of all other countries, while its relation to our power and our prosperity as a nation, to our means of defense, our unity, peace, and safety, are matters of paramount concern to the people of the United States." [27]

Congress also became concerned about the matter, and passed a resolution declaring it to be in the interest of the people of the United States that its government should insist that its consent be a necessary condition precedent to the construction of any ship-

[26] For text of Salgar-Wyse concession see *Sen. Ex. Doc. No. 112*, p. 84.
[27] J. D. Richardson, *op. cit.*, Vol. VII, p. 585.

canal across the isthmus.[28] Urged on by similar sentiments, Mr. Evarts attempted to make a treaty with Colombia whereby any concession for an interoceanic canal hitherto made, or to be made in the future, by Colombia should be subject to the rights of the United States, as guarantor of the neutrality of the isthmus and of the sovereignty of Colombia, over isthmian territory.[29] The Colombian government, however, was unwilling to concede any such rights to the United States; so that our government was forced to rest content with such powers as the treaty of 1846 guaranteed. At the same time, renewed interest was manifested in other trans-isthmian routes, particularly that by way of Tehuantepec, where Captain James B. Eads proposed to construct a great ship-railway, by which the largest ships could be transported from one ocean to the other by rail. The House Committee reported favorably but no guaranties from the government could be obtained.[30]

The idea grew that the Clayton-Bulwer treaty was hampering the legitimate aspirations of the United States for a canal under its own control, and President Garfield, who came into office in 1881, directed his Secretary of State to take measures looking to the abrogation of the treaty. Instead of taking up the matter directly with the British government, Mr. Blaine sent a circular despatch to the United States ministers in Europe, outlining the American attitude towards the proposal to establish a trans-isthmian canal under European guaranty. He pointed out that such a guaranty was entirely unnecessary, because by the treaty of 1846 the United States had already guaranteed the neutrality of the isthmus, and this guaranty required reinforcement, accession, or assent by no other power. Furthermore, he said that the proposed European guaranty would be offensive to the United States, since the proposed canal would be the chief means of transportation between the Atlantic and Pacific states and would be, to all intents and purposes, a part of our coast-line. This being the case, the passage of armed vessels of a hostile power during any war

[28] *Sen Miscellaneous Document No. 42*, 46th Cong., 3d Sess.
[29] *Sen Doc. No. 237*, 56th Cong., 1st Sess., pp. 473-499.
[30] See *House Report No. 322*, 46th Cong., 3d Sess.

to which the United States or Columbia might be a party would be no more admissible than over the railway lines joining the Atlantic and Pacific shores of the United States or of Colombia.[31]

The remarkable feature of this communication was not so much its expression of principles, which showed, after all, no radical departure from former statements on the subject, but the fact that, although a copy of it was sent to the British Foreign Office as well as to the other European chancelleries, no mention was made, even in the British copy, of the Clayton-Bulwer treaty. This was the more surprising in that the statement on the passage of armed ships was in direct violation of the second article of that treaty At first, Great Britain ignored the despatch. But at length, about four months after it was received, Lord Granville pointed out that the position of the United States and Great Britain with reference to the canal was determined by the convention commonly known as the Clayton-Bulwer treaty, and that her Majesty's government relied with confidence upon the observance of all the engagements of that instrument.[32]

Shortly before this reply was received, Mr. Blaine, apparently realizing that a formal treaty could not be disposed of in this cavalier fashion, sent a special despatch to the British government through Mr. Lowell, dated November 19, 1881, in which he attempted to show that the conditions of the Clayton-Bulwer treaty were no longer existent. In the first place, the treaty had been drawn up more than thirty years before, when the position of the United States on the Pacific coast was entirely different. Again, whereas the intention of the treaty was to put Great Britain and the United States on an equal basis in respect to the canal, the present arrangements insured control by Great Britain, on account of her superior naval strength, unless the United States should be allowed to fortify the canal. In the third place, now that other nations had become interested in a canal project, the United States, by the terms of this treaty, was prohibited from asserting the rights acquired by the treaty with Colombia signed earlier than the Clayton-Bulwer treaty. Finally, the treaty had been made on the im-

[31] *Foreign Relations of the U. S.*, 1881, pp. 537-540.
[32] *Ibid.*, p. 549.

plied understanding that both nations would immediately subscribe funds for undertaking the work; now that nothing had been done, and the United States no longer needed outside aid, there was no reason for either side to regard itself as bound by the treaty's terms.[33]

Lord Granville had little difficulty in exposing the weakness of Mr. Blaine's arguments, both in this despatch and in one of November 29 which followed it. The British possessions in North America had also shown considerable development, and it could hardly be supposed that the statesmen who were parties to the treaty had not envisaged certain changes of condition.[34] Neither was Mr. Frelinghuysen, who followed Mr. Blaine as Secretary of State, more successful than his predecessor, although he was on more familiar ground when he based his objections on the Monroe Doctrine and the traditional policy of the United States in opposing European intervention in American political affairs.[35] The weak point, of course, was the fact that the Monroe Doctrine had not been regarded as a bar to making the treaty; therefore it could hardly be advanced as a reason for abrogating it. Needless to say, the diplomatic correspondence of the United States during this period did very little to improve the country's position; in fact, so easily and completely were its arguments refuted that its position diplomatically was even weaker than before. Nor did Great Britain confine her activities to the exchange of notes with the United States. At the first intimation of American action against the Clayton-Bulwer treaty, the British government protested that Nicaragua had never paid the indemnity promised to the Mosquito Indians by the treaty of 1860, and forced the case to arbitration before the Emperor of Austria. The award was wholly favorable to the British, not only in that it was declared that Mosquitia was not subject to the regulations of Nicaragua, but in that it gave Great Britain the right, in case the terms of the treaty were not strictly observed, to intervene to protect her own interests.[36]

Mr. Frelinghuysen also attempted direct action by negotiating

[33] *Ibid.*, pp. 554-559.
[34] *British and Foreign State Papers*, Vol. LXXIII, p 873.
[35] *Ibid.*, p. 892; or see *Sen. Ex. Doc. No. 194*, for correspondence.
[36] *British and Foreign State Papers*, Vol. LXXII, p. 1212.

a treaty with Nicaragua in December, 1884, which provided for the construction of a canal by the United States under the joint protection of the United States and Nicaragua, the United States agreeing to guarantee the territorial integrity of Nicaragua.[37] But when Grover Cleveland became President in 1885, he recalled this treaty from the Senate, and declared in his first annual message that whatever highway should be constructed joining the two oceans "must be for the world's benefit, a trust for mankind." [38] There was no change in this attitude until 1899, when John Hay undertook to obtain the abrogation of the troublesome Clayton-Bulwer treaty, and succeeded quite as brilliantly as his predecessors had ignominiously failed.

In the meantime de Lesseps had made a spectacular beginning upon his stupendous undertaking. The actual work of construction was started February 1, 1881, and a veritable army of engineers and laborers was employed. Unfortunately for the success of the enterprise, de Lesseps remained in France, apparently failing to realize the prodigal and extravagant methods that were being employed. Useless and expensive equipment was purchased; the officers and directors were housed magnificently; an expensive campaign of propaganda was maintained to stimulate enthusiasm for the undertaking; and no matter how rapidly money flowed in, it was used up even more rapidly. The Engineering Congress at Paris had originally estimated the cost of the canal at $114,000,000 and had figured that it could be built in seven or eight years. At the end of eight years almost $400,000,000 had been spent and the work was not one third completed. The company went into bankruptcy, and the investigation that followed showed that the undertaking had been managed in a most corrupt and wasteful manner. The scandal was so great that all hope of ever constructing the canal by private means seemed eliminated [39]

In the United States, where the Nicaragua route still seemed

[37] J. D. Richardson, *op cit.*, Vol. VIII, pp. 256-260.

[38] *Ibid.*, p 324.

[39] For an excellent summary of the reasons for the French failure see W. F. Johnson, *Four Centuries of the Panama Canal* (New York, 1907), Chap. VII; see also *Foreign Relations of the U. S.*, 1884, p. 119, for report on difficulties encountered.

preferable, various attempts to organize companies to construct a canal by this route met with varied success. In 1890 the Maritime Canal Company, which held a concession from Nicaragua, was chartered by Congress and began work at Greytown. After three years' work, its capital was used up and the company went into the hands of a receiver. In 1895 Congress authorized a commission to report on the cost of completing the abandoned canal, and the original estimate of $67,000,000 was raised to $133,000,000. Under these conditions, the government was not willing to back a resumption of work.[40] Various proposals were made in Congress to purchase the Maritime Company's franchise and property, but nothing came of them. Upon the outbreak of the war with Spain, all projects were dropped. Nevertheless, the fact that the battleship *Oregon* had to travel 13,400 miles, instead of 4,600 by the canal route, to arrive at the West Indies, where she was needed, from San Francisco, where she was stationed, showed conclusively the vital need of a trans-isthmian waterway.

At the close of the war, agitation was renewed; and this time Congress made the generous appropriation, March 3, 1899, of $1,000,000 for a commission to make an exhaustive investigation of the relative merits of the Nicaragua and Panama routes. Moreover, since it was realized that no satisfactory solution could be arrived at until the Clayton-Bulwer treaty was out of the way, the Senate authorized the President to secure its abrogation, if possible. Somewhat isolated in Europe on account of the unpopularity of the Boer War, Great Britain had shown herself quite friendly towards the United States during the Spanish-American War, and the conditions were now exceedingly favorable for opening up negotiations on the subject. In fact, as early as December 7, 1898, Mr. Hay had made overtures through our representative, Mr. White, who was instructed to approach the British authorities in a "frank and friendly spirit of mutual accommodation, and ask whether it may not be possible to secure such modification of the provisions of the Clayton-Bulwer treaty as to admit such action by the government of the United States as may render possible the

[40] For complete report see *House Report No. 2126,* 54th Cong., 1st Sess., pp. 122-129

accomplishment of a work which will be for the benefit of the entire civilized world." [41]

Both Lord Salisbury and Mr. Balfour were willing to consider the suggestion favorably, and Lord Pauncefote, the British ambassador to the United States, was forthwith instructed to enter into negotiations on the subject. A treaty was signed by Mr. Hay and Lord Pauncefote on February 5, 1900, which provided that an isthmian canal might be constructed and operated by the United States, but that it must be neutralized in accordance with the principles of the Clayton-Bulwer treaty.[42] This convention was not satisfactory to the American Senate, which had expected a complete abrogation of the treaty. Accordingly, it proposed a number of alterations. One of these authorized the United States to take such measures as should be necessary to secure the defense of the canal and the maintenance of public order by its own forces; Article III, providing for the adherence of other powers, was stricken out; and provision was made for the express abrogation of the Clayton-Bulwer treaty.

These amendments were not satisfactory to Lord Lansdowne, the new British Minister of Foreign Affairs, who, in a lengthy communication, set forth his objections to them.[43] After conferring with Lord Pauncefote and with leading senators, Mr. Hay accordingly proceeded to secure a fresh convention. In the course of several months of friendly negotiations all differences were ironed out, and on November 18, 1901, the second Hay-Pauncefote treaty was signed. This instrument the Senate ratified the following month by a vote of 72 to 6.

Article I of the new treaty expressly abrogated the Clayton-Bulwer treaty. Article II provided that the canal might be constructed directly or indirectly under the auspices of the United States government, which should have the exclusive right to regulate and manage it. Article III provided for the neutralization of the canal under substantially the same rules as those governing the Suez Canal. The most important of these rules was the first, which

[41] *Diplomatic History of the Panama Canal, Sen. Doc. No. 474,* 63d Cong., 2nd Sess., p. 1.

[42] *Ibid.,* p. 289.

[43] *Ibid.,* p. 11.

declared that the canal should be free and open, on terms of entire equality, to the vessels of commerce and of war of all nations observing these rules, with no discrimination in respect to traffic charges or otherwise, and that the conditions and charges should be just and equitable. Although no provision regarding fortification was laid down, the United States was given the right to establish such military police as would protect the canal from lawlessness; and since the canal was to be completely immune in time of war, the logical inference was that the United States, which was charged with its defense, would not be prevented from erecting such fortifications as would insure its protection. The fourth article stipulated that no change of territorial sovereignty or of international relations of the country or countries traversed by the canal should affect the general principle of neutralization or the obligations assumed under the treaty.[44]

As far as Great Britain was concerned, the United States was now free to proceed with the construction of a canal over whatever route should appear most practicable. A source of constant friction between the two great Anglo-Saxon countries had been removed, amicably and to the ultimate advantage of each. Great Britain had made the greater concession; it remained to be seen whether the United States would be duly appreciative of this fact when questions should arise involving the new treaty's interpretation.

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CHAPTER V

COLOMBIA, THE UNITED STATES, AND THE PANAMA CANAL

JUST two days before the Hay-Pauncefote treaty was signed, the Walker Commission, after a thorough investigation of both the Nicaragua and Panama routes, reported in favor of the Nicaragua route. It estimated that the interests of the French company were not worth more than $40,000,000; and inasmuch as the French had estimated their holdings at $109,141,500, there was no need to consider the Panama route farther.[1] When, however, the Hepburn bill, providing for the construction of the canal by the Nicaragua route, passed the lower house almost unanimously, the French company became panic-stricken and offered to sell out to the United States at the figure fixed by the commission. As a result of this offer, the commission filed a supplementary report recommending the adoption of the Panama route.[2] Each route had its strong advocates in Congress, but the offer of the French company to sell at the very low figure set by the American commission gave the advantage to those favoring the Panama route. An amendment to the Hepburn bill was introduced by Senator Spooner, authorizing the President to purchase the rights and property of the Panama company for not more than $40,000,000, and to secure the necessary rights from Colombia for the construction of the canal, with the proviso that, if a satisfactory arrangement could not be made with both the French company and Colombia within a reasonable time, he should proceed with the construction by the Nicaragua route.[3] The adoption of this amendment virtually spelled defeat for the proponents of the Nicaragua route, although without a vigorous campaign by M. Philippe Bunau-Varilla, the former chief engineer of the Panama Company,

[1] *Senate Document No. 54*, 57th Cong., 1st Sess.
[2] *Sen. Doc. No. 123*, 57th Cong., 1st Sess.
[3] *U. S. Stat. at Large*, Vol. XXXII, Part I, p. 481.

which did much to make the American congressmen realize the superior advantages of the Panama project, the fight for the Panama route might not have been won.[4]

The Spooner amendment became law with the President's signature June 28, 1902, and shortly afterwards Attorney-General Knox, after an investigation in Paris, declared that the French company could give a clear title. There remained the task of acquiring the right of way from Colombia. Negotiations were immediately begun with Señor Concha, the Colombian minister to the United States. But, now that the United States was willing to proceed by the Colombian route, Colombia seemed disposed to drive a very stiff bargain. So unsatisfactory were the Colombian replies that Mr. Hay finally called the attention of the Colombian minister to the fact that if a satisfactory treaty could not be arranged with Colombia, the President was authorized to proceed with the construction of a canal by another route.[5] When, on December 1, the Colombian minister left Washington unexpectedly, without giving the reasons for his departure, the negotiations were put in the hands of Señor Herran, the Colombian *chargé d'affaires,* who proceeded with them in a far more conciliatory manner. As a result, a compromise was soon arranged, and the Hay-Herran treaty was signed on January 22, 1903, and approved by the Senate on March 17 of the same year. This treaty authorized the French company to transfer its properties and concessions to the United States; it also gave the United States exclusive right to construct and operate the canal for one hundred years, with an option to continue the arrangement for similar periods, and the full control over a strip of land three miles wide on each side of the canal, not including the cities of Colon and Panama. Colombia was to maintain her sovereignty over the territory, and was to have the right to transport over the canal at all times her vessels, troops, and munitions of war without payment of any charges.

[4] For the detailed story of the various influences working for and against the choice of the Panama route see P. Bunau-Varilla, *Panama, the Creation, Destruction, and Resurrection* (New York, 1914), especially Chap. XXII, also see *The Story of Panama,* hearings on the Rainey resolution before the House Committee on Foreign Affairs (Washington, D. C., 1913).

[5] *Diplomatic History of the Panama Canal, Sen. Doc. No. 474,* 63d Cong., 2nd Sess., p. 256.

As a price for these concessions, the United States promised to pay Colombia $10,000,000 in cash and an annuity of $250,000.[6]

To complete the transaction, there remained only the ratification by the Colombian senate. But this was never obtained. The Colombian government was determined to profit to the uttermost, and, now that it appeared that the Panama route was definitely decided upon, the terms that the United States offered were no longer deemed satisfactory. A perusal of the correspondence between the American representative at Bogotá, Mr. Beaupré, and Mr. Hay, shows that from the moment the opportunity was given to Colombia to obtain what had hitherto been considered favorable terms, public sentiment turned against the treaty. When a circular was issued by the government to the press, inviting discussion, it was quickly discovered that public opinion towards the treaty had changed "from approbation to suspicion and from suspicion to decided opposition."[7] The attitude of President Marroquin towards the treaty had at first seemed most favorable, but in his message to congress, which convened on June 20, he was completely non-committal. He pointed out that the government was in a dilemma—it must either ratify the treaty and suffer a loss to its sovereignty, or refuse and sacrifice a great financial opportunity. It is doubtful, however, whether the second horn of the dilemma was not interpreted in a double sense by both the president and congress. It would undoubtedly be a real sacrifice financially if the United States should turn once more to Nicaragua. But would it not be also a sacrifice if the present offer should be accepted when there was a possibility of obtaining better terms? In fact, it soon developed that the treaty would never pass unless better terms were secured. General Reyes finally suggested to Mr. Beaupré that two amendments were necessary to obtain the ratification of the treaty: first, that the French company pay $10,000,000 for the right to transfer its concessions; and second, that the United States raise its cash payment from $10,000,000 to $15,000,000.[8] When the Colombian government learned that the

[6] *Ibid.*, p. 277.
[7] *Foreign Relations of the United States*, 1903, p. 134.
[8] *Ibid.*, p. 163

United States would not even consider these changes, the treaty came up for a vote in the senate on August 12, and was unanimously rejected.

From the viewpoint of international law, the Colombian government was wholly within its rights in rejecting the treaty, and from a business viewpoint, if better terms could be obtained from the United States, this was the time to get them. The situation, however, presented other angles than these. The United States was the only nation that was prepared to carry out the stupendous task from which not merely the United States and Colombia, but the whole world, would profit. It had made what seemed to be a fair offer, and the Colombian representative had accepted it. Then the Colombian senate rejected the offer, after intimating that certain increased indemnities would make the ratification possible. Somewhat later, a senatorial committee drafted a new report in which the indemnity was again increased and the terms were made still more difficult.[9] If the United States should accept this draft, there was nothing to prevent the Colombian senate from rejecting the new proposition and again raising the terms.

In the meantime the people of the province of Panama, who were vitally interested in the acceptance of the treaty, saw their interests jeopardized by a government acting, as it seemed, in entire disregard of everything except its own interests. On the other hand, the French company, whose concession would lapse in October, 1904, saw its last opportunity to recoup a part of its great loss.[10] The Colombian government should have realized that the hostility of the United States was not so much to be feared as the desperate ventures of those people whose immediate interests were far more closely involved. It was a combination of these interests that ultimately resulted in the undoing of the Colombian plans.

There is an abundance of evidence to show that the Colombian government was not ignorant of the dangerous game that it

[9] *Ibid.* (No. 139, Inclosure). For a detailed account of the Colombian action see Miles du Val, Jr., *Cadiz to Cathay* (Stanford University, 1940), Chap. IX.

[10] By the payment of $1,000,000 the company had secured a six-year extension from the government; but there was the possibility of the decree being declared null and void.

was playing. Early in June, 1903, M. Bunau-Varilla, the former chief engineer of the Panama company, in a cablegram to President Marroquin pointed out that, if the Hay-Herran treaty were not ratified, either the Nicaragua route would be chosen or the Isthmus of Panama would revolt and receive the protection of the United States.[11] It was also reported that Senator Obaldia, the newly appointed governor of Panama, had stated to the Colombian president, in accepting the position, that in case the department found it necessary to revolt to secure the canal he would stand by Panama.[12] However, the Colombian government was determined to stand upon its rights and exact the terms that it considered proper to demand under the circumstances.

The story of how M. Bunau-Varilla engineered the revolution in Panama reads more like an Arabian Nights' tale than the narrative of an actual series of events occurring in the matter-of-fact twentieth century. The inhabitants of the isthmus had sent a Dr. Amador to the United States to see what chance there was of obtaining the aid of this country in bringing about a revolution, if no satisfactory arrangement could be reached with Colombia. After having approached various officials in Washington, the representative from Panama was convinced that no aid could be expected from the United States, and was about to return, when M. Bunau-Varilla appeared. When the latter learned that Panama was ripe for revolution if financial backing and military protection from the United States could be secured, he promised to do what he could to obtain them. The first step was to ascertain, if possible, what the intentions of the United States were, and what attitude would be taken if a revolution should break out. M. Bunau-Varilla was fortunate enough to secure an interview with President Roosevelt, and, although the Panama question came up only in the most casual way, it was apparent that the President still favored the Panama route. The other factor that M. Bunau-Varilla counted upon was the clause in the treaty of 1846 whereby the United States guaranteed to New Granada that the free transit of the isthmus from the one sea to the other should never be

[11] P. Bunau-Varilla, *op. cit*, p 267.
[12] *Foreign Relations of the U. S.*, 1903, p. 193.

interrupted or obstructed. An interview with Mr. Hay confirmed his belief that, in case of trouble on the isthmus, the United States naval forces would be on hand to maintain open communications across the isthmus, as they had already done on several earlier occasions.

Basing his plan upon these rather frail supports, M. Bunau-Varilla promised Dr. Amador $100,000 in cash from his own funds and the protection of the United States navy within forty-eight hours after a revolution should be declared. The only conditions were that the Panamanians should stage their own revolution, and that they should appoint M. Bunau-Varilla as their official representative in Washington, with plenary powers. Dr. Amador accepted the terms and promised that the revolution would take place within one week of his return home. When he arrived at Panama, the emissary found that his confederates needed more definite assurance of American protection. He therefore sent a cipher cablegram to M. Bunau-Varilla asking for the immediate despatch of an American cruiser. His confederate was equal to the occasion. Various press despatches had already reported that the *Nashville* had left Kingston on October 31, with sealed orders. Taking it for granted that its destination was Colon, M. Bunau-Varilla computed the time of its arrival, and cabled the Panamanians that an American cruiser would arrive in two and a half days. The conspirators were satisfied, and when the *Nashville* sailed into the bay, they immediately proclaimed the independent Republic of Panama, and, confiding in the assistance of the great American republic, proceeded to arrest Colombian officers and troops who had already landed.[13]

The part that the United States played in the Panama Revolution has been much criticized, but evidence showing that this country started the revolution or gave it encouragement in advance, other than by the interpretation which the Panamanians put upon the appearance of the *Nashville* in the harbor, must be open to suspicion unless the whole account of M. Bunau-Varilla is to be

[13] M Bunau-Varilla gives a most vivid account of the whole affair in his book, *op. cit.*, pp. 284-366.

regarded as deliberately misleading.[14] However, after the revolution was started, the Colombians may be considered as having just grounds for complaint at the American action. The treaty of 1846, it is true, gave the United States the right to protect the neutrality of the isthmus and to keep the transit open. But it could hardly be interpreted to mean that, to carry out these provisions, the United States was given the right to prohibit Colombia from maintaining its sovereignty upon the isthmus against revolutionary uprisings. In fact, since the United States was expected to assist New Granada in maintaining her sovereignty against foreign nations, might it not even be expected that the same guaranty would hold in the case of revolutionary uprisings? Certainly the following orders, given to the commanders of the *Nashville* and the *Dixie* by the Navy Department, can hardly be justified under the broadest interpretation of the treaty:

> Maintain free and uninterrupted transit. If interruption threatened by armed force, occupy the line of railroad. Prevent landing of any armed force with hostile intent, either government or insurgent, either at Colon, Porto Bello, or other point.[15]

This message was sent on November 2, 1903. On the following day our government went even farther, when orders were given to prevent Colombian troops at Colon from proceeding to Panama.[16]

The *Nashville* arrived at Colon on the evening of November 2, but Commander Hubbard did not prevent the disembarkment of Colombian troops which arrived that night on the *Cartagena*. These troops remained in Colon under Colonel Torres, while the superior officers left for Panama. That same day the revolution started in Panama, and these officers were seized by the revolutionary forces; and when Colonel Torres attempted to transport his troops to Panama by the railway, he was prohibited from doing

[14] J. C. Freehof in his book, *America and the Canal Title* (New York, 1916), discounts the truth of M. Bunau-Varilla's statements and upon circumstantial evidence asserts collusion between President Roosevelt and M. Bunau-Varilla. Mr. Hall, in his statement before the House Committee on Foreign Affairs in the hearings on the Rainey resolution, also implicates President Roosevelt, but he is inclined to attribute the revolution to the machinations of Mr. William Nelson Cromwell, the American legal adviser of the Panama Canal Company.

[15] *Dip. Hist.*, p. 362.

[16] *Ibid.*, p. 363.

so by the orders of Commander Hubbard of the *Nashville*. When Colonel Torres threatened to kill every American citizen in Colon unless the Colombian generals in Panama were released, Commander Hubbard landed his marines and prevented bloodshed. In the meantime, the revolutionists gained complete control in Panama, a declaration of independence was drawn up, a provisional government was formed, and notice of the separation from Colombia was sent to Vice-Consul Ehrman of the United States. A part of the Colombian forces threw in their lot with the Panamanians; the rest were allowed to depart, and the revolution was over. M. Bunau-Varilla was appointed official confidential agent of the Republic of Panama at Washington, and on November 6, 1903, Secretary Hay cabled the American consul that he was to enter into relations with the new state of Panama as the responsible government of the territory. The independence of the new republic was assured when the United States refused to permit the landing of Colombian troops on the isthmus, on the ground that the act would precipitate civil war and disturb the free transit that the United States was pledged to protect.

With the new Republic of Panama recognized and its indepedence guaranteed by the United States, and with M. Bunau-Varilla representing it at Washington, the construction of the canal by the Panama route was assured. On November 18, 1903, the Hay-Bunau-Varilla treaty was signed at Washington; it was ratified by Panama in December, and by the Senate of the United States in February of the following year. By the terms of this treaty the United States promised to maintain the independence of the Republic of Panama. In return for the sum of $10,000,000 in gold, and an annual subsidy of $250,000, beginning nine years after the ratification of the treaty, the Republic of Panama granted to the United States the use, occupation, and control of a zone of land ten miles wide, extending across the isthmus from Colon to Panama. Provision was made also for the use and occupation of any other lands and waters outside of the zone necessary to the canal's construction, operation, or protection. The canal was to be neutral in perpetuity, and the Republic of Panama was to have the right to transport over the canal its vessels, troops, and munitions of

war at all times without paying charges of any kind. The treaty, in effect, made the United States virtually sovereign over as much of the isthmus as was necessary for the exercise of full control over the canal.[17] The pathway was now clear of all diplomatic obstacles, and it remained for the United States only to begin the work of construction.

Inasmuch as all Latin America nourished very bitter resentment towards the United States for its part in the Panama Revolution, and since the United States had upon several occasions offered to make reparation, and has finally settled the controversy by a convention signed by both parties in 1921,[18] it is pertinent at this point to examine the affair in a judicial manner from the viewpoint of the various participants, and to determine, if possible, precisely how much blame the United States should assume. As to fomenting the revolution, the evidence seems to prove conclusively that the United States was guiltless. We have already shown that M. Bunau-Varilla has voluntarily assumed all of the credit or discredit for engineering the affair. Upon numerous occasions President Roosevelt publicly and privately denied categorically that he was implicated in the slightest degree in the plottings that went on in the United States. In a letter to Dr. Albert Shaw, editor of the *Review of Reviews,* dated October 10, 1903, he declared: "I cast aside the proposition made at this time to foment the secession of Panama. Whatever other governments can do, the United States can not go into the securing, by such underhand means, the cession. Privately, I freely say to you that I should be delighted if Panama were an independent state, or if it made itself so at this moment, but for me to say so publicly would amount to an instigation of a revolt, and therefore I can not say it." [19] In a special message to Congress, on January 4, 1904, the President declared the injurious insinuations of complicity by this government in the revolutionary movement in Panama to be "as destitute of foundation as of propriety." "No one connected with this government," he said, "had any part in preparing, inciting, or

[17] *Ibid.,* p. 295.

[18] See p 127.

[19] J. B. Bishop, *Theodore Roosevelt and His Time* (New York, 1920), Vol. I, p. 279.

encouraging the late revolution on the Isthmus of Panama"; and he added that, "save from the reports of our military and naval officers, . . . no one connected with this government had any previous knowledge of the revolution." [20] Finally, John Hay, whose reputation for straightforward integrity is unimpeachable, in an official reply to General Reyes, the Colombian representative, declared that "any charge that this government, or any responsible member of it, held intercourse, whether official or unofficial, with agents of revolution in Colombia, is utterly without justification." [21]

Of the more substantial grievances of Colombia, as summed up by General Reyes in a statement of grievances presented to the United States, the following seem to be the most important:

(1) American cruisers were sent into Colombian waters with orders to prevent Colombian troops from landing to suppress any revolutionary uprising that might occur; (2) A military officer of the United States prevented the railway from carrying Colombian troops from Colon to Panama at the very time when their arrival would have impeded any revolutionary attempt; (3) in time of peace between the two countries the United States prevented by force the landing of troops where they were necessary to reestablish order; (4) Two days after the revolutionary movement began, Panama was recognized by the United States as a sovereign and independent republic; (5) Fourteen days later the American government signed a treaty with the Republic of Panama, which not only recognized and guaranteed its independence but agreed to open a canal.[22]

In replying to these charges, Mr. Hay pointed out that, while Colombia manifestly sought to deal fairly with the United States as long as the Nicaragua route was being considered favorably, after an agreement was made with the duly accredited Colombian representative and with the French company, a very different attitude was taken. As a result of this shift of policy, trouble was threatened by the inhabitants of Panama, whose vital interests were being menaced. Advice to this effect came to the United States through its officials and the press, and in order to maintain order on the transit route the government took steps, as it had on previous occasions, to be ready for any emergency. The treaty of

[20] *Ibid.*, p. 292.
[21] *Dip. Hist.*, p. 492.
[22] *Ibid.*, p. 481.

1846 was signed with the implied obligation that an interoceanic passage was to be constructed, and the guaranty of the sovereignty of New Granada by the United States was given for this purpose. But the great design of the treaty of 1846 remained unfulfilled, and it finally became apparent that it could be fulfilled only by the construction of a canal by the government of the United States; yet by the repudiation of the Hay-Herran convention the Colombian government showed its intention to violate the spirit of the treaty. The declaration of independence of the Republic of Panama created a new situation. Another civil war threatened not merely the rights of the United States but the interests of the whole civilized world. The Republic of Panama stood for those interests; the government of Colombia opposed them. Compelled to cast her influence into the scale, the United States, in no wise responsible for the situation, recognized the independence of Panama.[28]

From these statements it would seem that, although the United States did not foment the revolution, her protection of the revolutionists made the movement successful; that, while the United States had the right to keep the transit across the isthmus open, she could scarcely claim the right to prevent the landing of soldiers to put down a rebellion against the sovereign state that granted this right; that, even if the United States had the right to recognize the independence of Panama any time after such independence was won, she hardly had the right to guarantee this independence against Colombia by forbidding the disembarkation of its troops. On the other hand, it was not merely for the benefit of the United States that the canal was to be built, but for the benefit of the whole world. Nor would any country profit more from its construction than Colombia herself. Finally, the people in the province of Panama were exceedingly desirous of seeing the canal constructed, as is shown by the prompt ratification of the Hay-Bunau-Varilla treaty by the municipal councils of Panama, and it seems that the government at Bogotá should have shown some consideration for their wishes. Therefore, even though extenuating circumstances could be found to justify the action of the United

[28] *Ibid.*, p. 491.

States, the fact remained that Colombia was wronged, and it was only fitting that a settlement be made of such a character not merely that Colombia would cease to feel bitter but that she would come to realize that her great neighbor on the north desired her friendship upon a basis of equality and justice.

Various attempts to this end were made before a successful compromise was effected. On October 21, 1905, the Colombian government suggested that a just, equitable, and complete diplomatic adjustment of the differences between the two nations be arrived at, and failing that, the question be submitted to arbitration.[24] Elihu Root, then Secretary of State, pointed out in his reply that an arbitration tribunal could not pass upon the question without passing upon the justice of Panama's stand in declaring her independence, whereas the United States had already taken an affirmative stand upon that question.[25] Further negotiations were carried on, and, owing to the friendly attitude of General Reyes, the Colombian president, and to the favorable impression made by Secretary Root's visit to South America in the summer of 1906, an agreement was finally embodied in a tripartite protocol, signed in Washington, August 17, 1907, by the representatives of Colombia, Panama, and the United States. The tripartite treaties resulting were known as the Root-Cortes-Arosemena treaties, one between Colombia and the United States, a second between Panama and the United States, and the third between Panama and Colombia. Colombia was to have the liberty at all times to transport war-ships and troops through the canal without paying duty; its agricultural and manufactured products were to be admitted to the canal zone on the same basis as those of the United States; its mails were to receive similar treatment; Panama was to transfer the first ten annual rental payments of $250,000 advanced by the United States to Colombia as her share of the Colombian foreign debt; finally, Panama was to be recognized by Colombia, and boundaries were to be definitely drawn.[26] The United States ratified these treaties early in 1909. But, despite the earnest sup-

[24] *Ibid.*, p. 576.
[25] *Ibid.*, p. 583.
[26] *Ibid.*, pp. 314-325.

port of President Reyes, public opinion ran so strong against them in Colombia that their mere presentation to Congress caused the downfall of the administration backing them, and the exile of the Colombian minister who negotiated them.

Another serious effort to adjust the situation was made during the Taft administration, when the American minister to Bogotá was authorized to make further proposals to Colombia. The tripartite treaties were to be ratified, and in addition the United States offered to pay $10,000,000 for a concession to build a canal by the Atrato route and for the lease of two small islands in the Caribbean as coaling stations. Once more the Colombian congress rejected the proposals and demanded arbitration of the whole question or compensation for all the moral, physical, and financial losses that Colombia had sustained as a result of the separation of Panama. Mr. du Bois, the American minister to Colombia, made several further attempts, but they were unavailing, and it remained for the Wilson administration to try its hand. Mr. Bryan, as Secretary of State, was very desirous of arriving at a settlement, and suggested that Colombia make a proposition. Colombia consented and its proposal carried three main clauses: first, the United States should express regret for what had happened; second, Colombian merchant-ships, war-ships, troops, products, and mails should pass through without paying duties, and the products of Colombia for consumption in the canal zone should have the same treatment as the goods of the United States; third, the United States should pay $50,000,000 as indemnity.[27]

In its counter-proposal the United States offered to express sincere regret that anything should have occurred to mar the relations of cordial friendship between the two countries; to permit Colombian war-ships and troops to pass through the canal free of duty, and the products of its soil and industry, its citizens and its mails, to pass through and be admitted on the same basis as those of the United States; and to pay an indemnity of $20,000,000 [28] Our government finally raised the indemnity to $25,000,000. But when the treaty came before the Senate and its terms were pub-

[27] *Foreign Relations of the United States*, 1913, p. 324.
[28] *Ibid*, p. 328.

lished, Mr. Roosevelt denounced it bitterly as the "Colombia blackmail treaty," calling it "an attack upon the honor of the United States, which, if justified, would convict the United States of infamy." [29] The opposition to the treaty became so great, and the new problems raised by the World War had become so urgent, that further consideration of the agreement did not take place till 1919. At this time the Committee on Foreign Relations reported the treaty out, amending it by eliminating the expression of regret on the part of the United States; but, even with this change, the Senate refused to ratify it.

Hardly had President Harding been inaugurated before he indicated in no uncertain manner that he desired an early settlement with Colombia. In a message to the Senate, dated March 9, 1921, he called attention to the impending treaty and suggested that "the early and favorable consideration of this treaty would be very helpful at the present time in promoting our friendly relationships." [30] Yielding to the request of the new President, the Senate began discussion of the treaty in open session on April 24. When Senator Lodge, chairman of the Committee on Foreign Relations, not only spoke in favor of ratification but indicated that Colonel Roosevelt before his death had also signified his approval of coming to a settlement, it was evident that the treaty would have little difficulty in securing the necessary two-thirds majority. Another factor which undoubtedly had considerable influence was the hostile attitude of the Colombian government towards important American oil concessionaires. It was very evident that a *quid pro quo* was essential if the Standard Oil interests were to be allowed to carry on their extensive explorations.[31] The question came to a decision on April 20, 1921, and was approved by a vote of 69 to 19; [32] and ratifications were exchanged at Bogotá on March 1, 1922.

[29] Theodore Roosevelt, *Fear God and Take Your Own Part* (New York, 1916), pp. 305-342.

[30] *Congressional Record*, Vol. LXI, No. 2, p. 81.

[31] J. Fred Rippy, "The United States and Colombian Oil," *Foreign Policy Reports*, Vol. V, No. 2 (April 3, 1929).

[32] For text see *Treaty Series, No 661* (Washington, D. C., 1922), or *Congressional Record*, Vol. 41, No. 2, p 378. The treaty as finally approved eliminated the so-called apology clause, paid Colombia $25,000,000 and gave her equal rights with the United States in the use of the Canal.

At last this affair, which, according to a former United States minister to Colombia, was felt by the people of Latin America to be "the only real injustice committed by the United States against Latin-American people," had been settled in a manner acceptable to both.

On the other hand, the Hay-Bunau-Varilla treaty of 1903 between the United States and Panama gave rise to certain difficulties of interpretation immediately upon the beginning of active construction of the canal. Secretary Hay in a letter to Senator Spooner before the treaty had passed the Senate had already emphasized the disproportionately advantageous character of the treaty to the United States, and pointed out that there were "many points in this treaty to which a Panamanian patriot could object." [33] The chief source of dispute was raised in regard to the assumption of full rights of sovereignty on the part of the United States in the Canal Zone. For example, the Panamanian government objected to the establishment of post offices and customs houses since the powers of the United States government were limited to measures necessary for the construction and maintenance of the Canal. The United States, however, claimed full sovereign powers within the limits of the Zone.[34] To adjust these difficulties, Mr. Taft, then Secretary of War, proceeded to Panama and formulated a temporary agreement to serve as a *modus operandi* during the period of construction of the Canal. This agreement was embodied in a series of executive orders issued by the War Department in 1904, 1905, and 1911, and the Panama Canal Act of August 12, 1912, validated these orders until Congress should otherwise provide.[35]

In spite of the Taft agreement, numerous disputes arose, particularly through the establishment by the United States of commissaries which did a very extensive business in the Zone,

[33] A. L. P. Dennis, *Adventures in American Diplomacy* (New York, 1928), p. 341.

[34] That even in the United States there was a very decided difference of opinion as regards the status of the United States in the Zone is shown later by a Supreme Court decision handed down January 6, 1930, in the case of the Luckenback Steamship Company vs. the United States, *U. S. Supreme Court Reports*, 74:356.

[35] *U. S. Stat. at Large*, Vol. XXXVII, Part I, p. 560.

and through other acts of sovereignty such as issuing exequaturs to foreign consuls to perform their functions within the Zone. To improve the situation the State Department on September 1, 1922, declared that the Taft agreement was no longer satisfactory and recommended its termination in order that a new treaty with Panama might be negotiated.[36] In accordance with a joint resolution approved February 12, 1923, the President terminated the Taft agreement by an executive order issued May 28, 1924, to take effect beginning June 1, 1924. Relations henceforth between the Canal Zone and the Republic of Panama were governed by the treaty of 1903.

Negotiations were immediately begun by the State Department looking towards a new treaty covering various questions such as the acquisition of further lands for canal purposes and the protection of the Canal, new customs regulations, the rights of radio communication and aërial navigation in Panama and its more efficient control, further regulations concerning the sanitation of Panama City and Colon, and more definite arrangements as to the status of Panama currency in the Canal Zone. A treaty covering these and other subjects was signed at Washington, July 28, 1926, by representatives of the Republic of Panama and by Secretary Kellogg and Francis White representing the United States.[37]

Upon publication of the treaty, considerable comment was aroused by certain provisions of the agreement. Particular note was taken of the first paragraph of Article XI, which stated that "The Republic of Panama agrees to coöperate in all possible ways with the United States in the protection and defense of the Panama Canal. Consequently the Republic of Panama will consider herself in a state of war in case of any war in which the United States should be a belligerent; and in order to render more effective the defense of the Canal will if necessary in the opinion of the United States government, turn over to the United States in all the territory of the Republic of Panama, during the period of actual or threatened hostilities, the control and operation of wire-

[36] *Sen. Doc. 248*, 67th Cong., 2nd Sess.
[37] Text in *Cong. Rec.*, Vol. 68, Pt. 2, pp. 1846-1852.

less and radio communications, aircraft, aviation centers, and aërial navigation."

The question was immediately raised as to whether such a military alliance on the part of Panama did not conflict with her obligations under the Covenant of the League of Nations. It was reported from Geneva that League officials were of the opinion that Article XI of the treaty conflicted with Articles II, XI, XVI and XX of the Covenant. It would appear that the objections were well taken, for an automatic entrance into war upon the part of Panama at the behest of the United States would violate categorically her promise under the Covenant to utilize various peaceful agencies before the final resort to war. Opposition to the treaty quickly developed in Panama, and on January 26, 1927, the National Assembly passed a resolution requesting President Chiari to reopen negotiations for an arrangement more satisfactory to the interests of Panama.[38]

No further action was taken, however, until Franklin D. Roosevelt became president. At that time the devaluation of the dollar and the attempt to pay the annual $250,000 rental for the Canal in sixty cent paper dollars brought matters to a crisis. The situation afforded an excellent opportunity to put the Good Neighbor policy into operation and maintain the financial integrity of the American government. The United States proposed a complete revision of the Treaty of 1903 and a settlement of all outstanding disputes. Negotiations which began in Washington in 1934 were finally terminated on March 2, 1936, when four agreements were signed by the two powers.[39] The first was a general treaty revising the convention of November 18, 1903, two others related to radio communication in Panama and the Canal Zone, and the fourth was concerned with the construction of a trans-isthmian highway between the cities of Panama and Colon.

The general treaty made certain fundamental changes in the relations between the two governments. The United States ac-

[38] *New York Times*, Jan. 27, 1927.

[39] For text of the General Treaty of Friendship and Coöperation see *U. S. Treaty Series*, No. 945; for the Transisthmian Highway Treaty see *ibid.* No. 946; for text of the Radio Convention which has been ratified by Panama but not by the United States see *Sen. Doc. Exec. C*, 74th Cong., 2nd Sess., p. 7.

cepted stricter limitations on the conduct of business and the right of residence in the Canal Zone. The annual rental of the Canal was henceforth to be 430,000 balboas, thus avoiding difficulties due to devaluation. In case of threat of aggression endangering Panama or the Canal the two governments were to consult for mutual defense. Inasmuch as Article I of the new treaty superseded Article I of the treaty of 1903 wherein was found the guarantee of Panamanian independence, this provision for joint consultation and action took on additional importance.

Perhaps the next most important provision of the new treaty from the Panamanian standpoint was Article II whereby the United States renounced further grants of lands and water in addition to those already under the jurisdiction of the United States outside of the Zone. According to Article II of the original treaty, such expropriation of territory was authorized in so far as it was necessary for the construction, operation, and protection of the Canal, but the Panamanians felt that the Canal authorities had abused the privilege. Little opposition was raised to giving the United States the 167 square miles of territory outside of the Zone covered by Lake Gatún and its shores, nor an additional several thousand acres along the Chagres River, but when in 1918 the United States insisted upon taking over about five-sixths of the beautiful island of Taboga—Panama's finest health resort—for the defense of the Canal, the whole of Panama rose in protest.[40] Although the United States reduced materially its expropriation in Taboga, other demands for concessions followed. The new agreement, while renouncing the right of expropriation on the part of the United States, recognized the joint obligation for the operation and defense of the Canal, and if need arose necessary measures should be taken.

Owing to the political implications of Article X of the new treaty providing for joint consultation in case of aggression, the treaty was considered in executive session by the United States Senate and on April 29 it was decided to await Panamanian action before final disposition should be taken. After an acrimonious de-

[40] For a detailed account of this problem see W. D. McCain, *The United States and the Republic of Panama* (Durham, N. C., 1937), Chap. VII.

bate, the Panama National Assembly approved the Treaty and the three conventions on December 24, 1936.

No further action was taken by the United States until February, 1939, when by an exchange of notes between Secretary of State Hull and the Foreign Minister of Panama it was agreed that the United States might determine when an emergency existed which required consultation and that under some circumstances consultation might have to follow military action.[41] With this reassuring clarification of Article X, the Treaty was resubmitted to the Senate on July 24, 1939, and ratification approved the following day. Ratifications were immediately exchanged with Panama and the treaty proclaimed July 27, 1939.

The ever darkening world situation enhanced both the importance of our relations with Panama and the strategic value of the Panama Canal. In the spring of 1939 the United States raised its legation at Panama City to an Embassy and, with the outbreak of war in Europe in the fall, immediate steps were taken to enlarge the canal by a new set of locks and to build a strategic highway across the isthmus. In order to afford better defense the United States requested the use of a number of areas outside the Canal Zone for the installation of air bases, searchlights and aircraft detectors under the provisions of Article X of the 1936 treaty.

The government of President Arnolfo Arias debated the proposal at some length and only assented after a considerable delay. By a manifesto dated March 5, 1941, the Republic of Panama acceded to the request of the United States government providing that occupation cease at the end of the war and that adequate compensation be granted.[42] President Arias again showed a leaning towards the Axis when he issued a decree refusing to permit American owned vessels sailing under Panamanian register to be armed for self-defense. Resentful of this policy of obstruction, certain leaders of the government taking advantage of the fact that President Arias was visiting in Havana without the necessary constitutional permission, took over on October 9, 1941, and elected Ricardo Adolfo de la Guardia to exercise the presidency. When

[41] *U. S. Treaty Series, No. 945,* pp. 63-64.
[42] *New York Times,* March 6, 1941.

certain allegations were made in the press that the United States supported the *coup* Secretary Hull issued a categorical denial and gave a detailed statement of the facts as reported to the State Department.[43]

The new administration immediately rescinded the decree prohibiting the arming of merchant ships and coöperated actively in a program of defense. Panama declared war upon Japan the day after Pearl Harbor and on May 18, 1942, signed an agreement with the United States permitting the use by the armed forces of the United States of numerous defense areas in the Republic outside of the Canal Zone. The largest of these was the Rio Hato air base situated almost eighty miles southwest of the Canal for which the United States was to pay an annual rental of 10,000 balboas. For the other public lands utilized, the annual rental payment was one balboa, while private lands were to be paid for at an annual rental of 50 balboas per hectare. The United States had the right to use the waters adjacent to these lands and to construct necessary highways for their effective utilization. All lands taken over were to be evacuated one year after the definite treaty of peace.[44]

At the same time certain adjustments were made to improve the relations between the two countries. The United States relinquished the Panama Railroad's real estate holdings in the cities of Colon and Panama except such as were essential to the operation and protection of the Canal, and conveyed to Panama the waterworks and sewerage systems lying within the Rrepublic's jurisdiction. The United States also proposed to liquidate the credit of two and one half million dollars made available to Panama by the Export-Import Bank for the construction of Panama's share of the Chorrera-Rio Hato Highway, a road constructed primarily for the defense requirements of the Canal and the United States.

When the agreement was submitted to the Senate of the United States for its approval certain objections were raised due to the fact that the proposal was made in the form of a joint resolution. By this procedure it was pointed out that a change in a treaty would be made by a majority vote of the Congress instead of by

[43] *Department of State Bulletin*, Vol. V, No. 121 (October 18, 1941), p. 293.
[44] *Ibid.*, Vol VI, No 152 (May 23, 1942), p 448.

a two-thirds vote of the Senate. However, when the resolution came to a vote on December 4, 1942, the Senate approved it by a vote of 40-29 which more than met the two-thirds requirement.

One other difficulty of a diplomatic nature must be mentioned here, although not strictly within the scope of our Latin-American relations. The Hay-Pauncefote treaty provided that the Canal should be open to vessels of all nations on terms of entire equality; but the Panama Canal Act of August 24, 1912, provided that no tolls should be levied on the coastwise vessels of the United States.[45] The British government protested against this exemption and suggested that the question be submitted to arbitration. The United States claimed that "all nations" meant all nations except the United States, since the remission of tolls was merely a subsidy to our shipping and therefore not a discrimination against foreign shipping.[46] Neither was the United States willing to submit the question to arbitration. However, upon the advent of the Democratic administration, President Wilson took the position that a great nation like the United States was hardly justified in quibbling about the interpretation of a clause in order to advance its financial interests, and hence he asked Congress that the tolls-exemption clause be repealed. After a spirited debate, Congress granted his request, carefully stipulating, however, that such action should not be construed as a relinquishment of the right of the United States to discriminate in favor of its vessels by exempting them from the payment of tolls for passage through the canal.[47]

This act held throughout the Wilson administration. But inasmuch as its repeal was demanded in the Republican platform of 1920 and in President Harding's speech of acceptance, the question was again raised in Congress in 1921. There seems to be little doubt that when the treaty was drawn the phrase "all vessels" was meant to be taken literally, and, considering our general attitude towards nations that hold treaties to be mere "scraps of paper," it would seem both politic and just to maintain the treaty

[45] *Dip. Hist.*, p 328.
[46] *Foreign Relations of the U. S.*, 1913, p. 540
[47] *U. S. Stat. at Large*, Vol. XXXVIII, p. 385

in its spirit rather than to seek profit through the loop-hole of legal technicalities. However, party pledges had to be redeemed, and the Senate, after a heated discussion, finally passed the tolls-exemption clause.[48] Although not openly recanting his stand as a candidate, the President was apparently not very desirous of having the bill come to him for his signature, particularly at a time when the United States was planning to receive Great Britain and her allies as guests in a conference looking towards disarmament—a meeting whose sole chance of success lay in the implicit confidence of the participants in the inviolability of their pledged agreements. The bill was therefore sent to the House, where, as a former President once remarked, it was "relegated to innocuous desuetude," and without any noticeable grief on the part of its friends.

It would not be proper to conclude this chapter without a word concerning the Canal itself. As an engineering feat it stands unparalleled—in the words of a former British ambassador, Lord Bryce, "it is the greatest liberty man has ever taken with nature." Culebra Cut, a nine-mile channel, nowhere less than 300 feet in width and averaging 120 feet in depth, was hewn through a mountain. This great ditch, which necessitated the excavation of more than 100,000,000 cubic yards of material, or about twenty-five times as much as was used in the largest of the Egyptian pyramids, was perhaps the greatest feat. Yet the Gatun Dam, a mile and a half long, half a mide wide at its base, and containing more than 20,000,000 cubic yards of material, or more than five times as much as is found in the Cheops pyramid, ranks well with it. The problem of obtaining sufficient labor, the question of health, and the task of stamping out yellow fever and malaria were difficulties almost commensurate with the engineering problems. Work on the Canal was started in 1904 and completed within a decade, at a cost of $375,000,000. With the fortifications added, the total cost of construction has been about $500,000,000, and the cost of maintenance is approximately four millions annually.

Largely because of the vulnerability of the Canal to bombing in time of war the Congress in 1939 authorized the construction of a third series of locks approximately a mile distant from the present

[48] *Cong. Rec.*, Vol. 41, No. 125, p. 6893 *ff.*

Canal. These locks are each to be 1200 feet long and 140 feet wide with a depth sufficient to permit the passage of ships with a draft of 45 feet. These larger locks will permit the passage of battleships and commercial vessels larger than any as yet afloat. The maximum cost of the new project is limited to $277,000,000 and it is to be completed by 1946.

From the beginning, the need for the Canal has been demonstrated, and during the first thirteen months of its operation, in spite of the European war, six and one half million tons of merchandise were carried through it. In the fiscal year ending June 30, 1940, 6,343 commercial vessels, carrying over twenty-seven million tons of cargo, went through the waterway, and in addition 602 government vessels were towed through. The total revenues for this period were $21,177,760.[49] Inasmuch as the capital investment at the end of the fiscal year 1940 was estimated at $508,107,922, the revenue was less by 0.58 per cent than the interest charge of 3 per cent. Therefore, although the Canal cannot be regarded as a paying investment in a strictly commercial sense, a route which cuts off 7,873 miles in traveling by water from New York to San Francisco, and 8,868 miles between New Orleans and San Fransciso, which brings the United States 3,000 miles nearer the Chilean nitrate fields, and the western grain markets of the United States 5,000 miles nearer to Europe, has a value to humanity that can never be measured in dollars and cents alone.

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CHAPTER VI

MEXICO AND THE UNITED STATES

IF one were to form an impression of Mexico solely from the reports of some of the numerous organizations and committees in the United States engaged from time to time in investigating Mexican affairs, one might well believe that Mexico, like all Gaul, is divided into three parts—first and most important, the foreign oil interests; second and largest, the country given over to bandits and outrages; third, and of little consequence, the Mexican government. But Mexico is a land that does not disclose itself to the casual observer. Where the representative of big business would see nothing but rich deposits of mineral and oil, the archæologist would discover prehistoric temples, monoliths, painted caves, and picture-writing, all giving evidence of a marvelous prehistoric civilization. Where the politician would find nothing but revolution and anarchy, the historian would note the traces of the Toltecs, the great civilized race that came and went before Columbus, and the Aztecs, who, under the glorious rule of the Montezumas, made Mexico City the Venice of America. Mexico is indeed, as an observant writer has described it, a land of contrasts: "It is a land of mystery and a land of commonplace dirt and existence. Areas of fabulously rich soil contrast with arid desert regions. . . . On the one hand, romance, adventure, chivalry, sacrifice, lofty ideals; on the other, oppression, cruelty, sordid ambition, pestilence. Great wealth confronts the direst poverty. The lights are always strong, the shadows always dark." [1] There are no tales in the world's history more thrilling than the conquest of Mexico by Cortez and his little band of adventurers; nor can one find more striking examples of the ruthless exploitation of helpless natives than are recorded of the Spanish taskmasters during the centuries following the conquest. From Montezuma to Diaz the fabric of Mexican history has been shot through with the "cursed love of gold."

[1] E. D. Trowbridge, *Mexico To-day and To-morrow* (New York, 1919), p. 1.

The diplomatic relations of the United States with Mexico may be said to have begun January 27, 1823, when by the appointment of Mr. Joel R. Poinsett as minister, the republic's independence was recognized. From that time to the present, there has been no period when our State Department has not been vitally interested, directly or indirectly, in our nearest Latin-American neighbor. Our first treaty with Mexico was negotiated in 1826, but was not satisfactory to the Senate and was withdrawn. Two years later a treaty of limits was concluded, and in 1831 a treaty of amity and commerce was signed, which is still in force.[2] Despite the friendly attitude of the United States and the exceptional ability of its first minister, both the country and its representative were from the first suspected and antagonized; and in 1829 Mr. Poinsett's recall was demanded. The new minister, Anthony Butler, was a most unfortunate choice. An American historian has well observed that his sole qualifications for the post were "an acquaintance with Texas and a strong desire to see the United States obtain it." [3]

When, early in 1836, Texas declared its independence, Mexican hostility towards the United States became very bitter, on the grounds that this country was the chief backer of the rebellion. There was even thought of breaking off diplomatic relations. However, there is little evidence to show that our government failed in its duties of neutrality, although the occupation of the Nacogdoches region as a protection against raiding Indians might be proved an exception. But whether justified or not, this incident fanned the flames of Mexican hatred, and our recognition of Texas early in 1837 added fuel. In 1842 President Santa Anna, "worthy son of the father of lies," as his Mexican opponents termed him, began his war for the reconquest of Texas, and at the same time the Mexican Minister of Foreign Relations accused the United States of permitting its citizens to give aid to the Texans.[4] Daniel Webster, then Secretary of State, denied the allegations promptly and categorically.[5] On the other hand, the Government of the

[2] J. B. Moore, *Digest of Int. Law*, Vol. V, p. 778. For text see Malloy, *Treaties, Conventions, Etc.* (Washington, D. C., 1910), Vol. I, p. 1085.

[3] J. H. Smith, *The War with Mexico* (New York, 1919), Vol. I, p. 62.

[4] *British and Foreign State Papers*, Vol. XXXI, p. 801.

[5] *House Executive Document No. 266*, 27th Cong., 2d Sess., pp. 7-15.

United States had serious grounds for provocation, in that upon several occasions American citizens had been mistreated, and even shot, by agents of the Mexican government. Furthermore, a large number of private claims for whose payment the American government had long been demanding action were ignored as long as possible; and when a settlement was finally reached, evasion of full payment was attempted.[6]

The annexation of Texas in 1845 by joint resolution of Congress made a conflict between the two countries inevitable. The Mexican minister at Washington was recalled and a deaf ear was turned to all efforts of the United States to resume friendly relations. A brief ray of hope appeared when a confidential agent sent by President Polk succeeded in obtaining the promise of a resumption of diplomatic relations; but when Mr. Slidell, the newly appointed American minister, arrived, the Mexican government would not receive him. Although ordered by Polk to remain in Mexico, he was unable to accomplish anything, since almost immediately after his arrival the war faction got control of the government.[7]

It seems necessary to say a word here about the almost universally accepted tradition that Polk was eager for war with Mexico and forced it upon her. In reality, his diary, his private correspondence, and even his actions, show that he was most unwilling to force the issue. When we take into consideration the delicate situation that the Oregon question had brought about between this country and Great Britain, it would seem incredible that Polk should have deliberately engaged the country in war with Mexico. As to the sending of a large force of troops to Texas, it must be remembered that Mexico had broken off diplomatic relations and had been threatening to begin war at any moment. If it be conceded that the United States had the right to annex the sovereign state of Texas, it must surely be conceded that it had the right to protect its newly acquired territory from an attack momentarily expected. The only justifiable objection to Polk's

[6] J. B. Moore, *International Arbitrations*, Vol. II, p. 1209.

[7] For the correspondence of Mr. Slidell see *Senate Executive Document No. 337*, 29th Cong., 1st Sess., pp. 18-67.

conduct is the order sending Taylor and his forces forward to the east bank of the Rio Grande opposite Matamoros into territory claimed by Mexico. Yet this order was not given until January 13, 1846, when the diplomatic outlook seemed hopeless. With this advance, war was almost certain to come, and the first engagement—an attack upon an American reconnoitering expedition—took place virtually a month after the arrival at the Rio Grande. Polk might have postponed the war; but when we find, on the one hand, the American minister, who did all in his power to bring about a peaceful settlement, declaring, "We shall never be able to treat with her [Mexico] on fair terms until she has been taught to respect us," [8] and, on the other, a Mexican editor writing, "The American forces did not advance to the Rio Grande until after the war became inevitable, and then only as an army of observation," [9] we can hardly lay all the blame for the Mexican War at the door of President Polk. If the United States must be held guilty of instigating the war, as many historians have asserted, it would be more just to fix the blame upon the same internal causes that were to bring about the Civil War—the demand for territory which should be open to slavery, and the struggle for supremacy between the North and the South.[10]

Fortunately, the war was too one-sided to be very long drawn out. The first real engagement was fought at Palo Alto May 8, 1846, and with Scott's entrance into Mexico City, September 14, 1847, after the brilliant capture of the heights of Chapultepec, the fighting was virtually over. The United States never had as many as fifty thousand men in the field at one time, and the total casualties in the field, including sickness, probably did not run as high as fifteen thousand. Peace was concluded by the treaty of Guadalupe Hidalgo, signed February 2, 1848. The United States commissioner, Nicholas P. Trist, having already been recalled, was really without power to conclude the treaty. But he realized that his country was sufficiently anxious to conclude peace to waive

[8] *Sen. Ex. Doc. No. 337*, p. 57.

[9] Quoted by J. H. Smith, *op. cit*, Vol. I, p. 155.

[10] For a detailed and authoritative treatment of this period see G. L. Rives, *The United States and Mexico, 1821-1848*, 2 vols. (New York, 1913).

technicalities.[11] The treaty's terms, although increasing the territory of the United States by more than half a million square miles, including New Mexico and Upper California, were not wholly unfair to Mexico. As the treaty itself stated, a great part of the territory was occupied by savage Indian tribes, and most of it was under only nominal control of the Mexican government. Furthermore, the United States engaged itself to pay $15,000,000 for this territory, besides assuming and paying all claims against Mexico to an amount not exceeding $3,250,000.[12] Even conceding that this amount in no way represented the actual value of the territory, it must be remembered that this sum was greater than that paid for Louisiana, a much larger and more valuable region. Besides, the United States was in the position of a conqueror who had to pay all the expenses of its conquest. The boundaries and certain other provisions proved not entirely satisfactory to the United States, but a new convention was signed December 30, 1853—the so-called Gadsden purchase—whereby Mexico, for the sum of $10,000,000, ceded the Mesilla Valley and released the United States from liability imposed by certain stipulations of the former treaty.[13]

The decade following the war with the United States was a time of revolution and anarchy.[14] Nevertheless, real progress was made by the overthrow of the clerical party, which resulted in the passage of laws bringing the army and the clergy within jurisdiction of the ordinary courts of justice and forcing the sale of church lands and property. The exceedingly democratic constitution of 1857 was also a product of this period, though to put its principles into practice required an electorate more experienced in democratic government than Mexico possessed or could hope to

[11] See J. B. Moore, *Digest of Int. Law*, Vol. V, pp. 780 *ff.*

[12] Text in W. M. Malloy, *op. cit.*, Vol. I, p. 1107.

[13] Malloy, *ibid*, p. 1121. The treaty was again revised when the United States on April 17, 1937, agreed to the abrogation of the long obsolete Article VIII which gave the right to the United States to transport troops across the Isthmus of Tehuantepec.

[14] Five successive revolutionary governments had been recognized by the United States in the course of a few months. See special message of President Pierce of May 15, 1856, J. D. Richardson, *Messages and Papers of the Presidents*, Vol. V, p. 368

possess for many years.[15] On the other hand, the public finances were in a deplorable state. Such a situation in a weak state that has borrowed heavily from foreign powers is always dangerous, and Mexico was no exception to the rule. Large sums had been obtained from Great Britain, France, and Spain, and the recurring changes of government had prevented regular payments. When in 1858 the full-blooded Indian, Benito Juarez, ex-officio vice-president, became president *de jure* through a revolutionary uprising against the constitutional president, the United States, unable to maintain diplomatic relations with the faction in control, withdrew its minister. In the following year President Buchanan, relying upon the ultimate success of the Juarez government, which had been maintaining itself successfully at Vera Cruz, sent a minister, thereby recognizing Juarez as the "only existing government." The forecast proved correct, and in December, 1860, the Juarez government gained complete control and entered the city of Mexico in triumph. As might be expected, the treasury was empty; hence the new government was forced to issue an order suspending payments for two years on its national and foreign obligations.[16]

This decree brought a strong protest from the British and French ministers, who demanded its immediate repeal. When the Mexican government failed to comply, diplomatic relations were severed. As the Spanish representative had previously been given his passport, owing to his open support of the church party, Spain was already prepared to act. A convention for joint action was therefore signed in London, providing for seizure of the ports and customs as guarantees of payment, and the United States was invited to participate.[17] With the Civil War already begun, our government was not able to protest effectively;[18] nor did Seward feel that we should depart from our traditional policy of abstaining from alliances with foreign nations. The three powers therefore proceeded to send fleets and seize Vera Cruz. It was soon

[15] For the text of this interesting document see *House Executive Document No. 100*, 37th Cong., 2nd Sess., p. 140.

[16] *British and Foreign State Papers*, Vol. LII, p. 294.

[17] *Ibid.*, Vol. LI, p. 63, or *House Ex. Doc No 100*, p. 134.

[18] Seward did, however, protest; see *Ibid.*, p. 217, for his notice to France.

perceived, however, that the French had disembarked with an entirely different purpose from that of their allies. Napoleon III, *rêveur et conspirateur,* felt the need of accomplishing some brilliant exploit to shed luster upon his weakening régime, and Mexico offered the opportunity. The leader of the French expedition was therefore instructed to advance upon the Mexican capital and establish a stable government, if the situation so warranted. The British and Spanish governments refused to follow the French lead, and the plan for joint action came to an end. Soon afterwards the British and Spanish withdrew, while the French finally pressed on and occupied the capital. In order that the imperialistic design of Napoleon III might not be too apparent, a junta and assembly of Mexican citizens were selected, who, after deliberation, adopted a limited monarchy as the new form of government, with a sovereign bearing the title of Emperor of Mexico. The imperial crown was offered to Prince Maximilian, archduke of Austria. If he should not accept, Napoleon III was to indicate another Catholic prince.[19] Unfortunately for Maximilian, he was prevailed upon to accept, and with much pomp and ceremony he entered the Mexican capital on June 12, 1864. In order to maintain the expensive requirements of an imperial court, to satisfy the more pressing claims, and to keep in the field an army strong enough to sustain the government against Juarez and his followers, new loans were floated in Paris, plunging the country still more hopelessly in debt.

Another difficulty that confronted Maximilian was the American attitude. While bending all effort to maintain the Union, the United States could do little more than look askance at the French intervention. Yet its hostile attitude was very apparent, and at no time would it consider the recognition of the imperial government. On April 7, 1864, it was resolved by the House of Representatives that "the Congress of the United States are unwilling by silence to have the nations of the world under the impression that they are indifferent spectators of the deplorable events now transpiring in the Republic of Mexico, and that they

[19] A very interesting collection of documents regarding the intervention has been assembled in *Senate Executive Document No. 11,* 38th Cong., 2nd Sess.

think fit to declare that it does not accord with the policy of the United States to acknowledge any monarchical government erected on the ruins of any republican government in America under the auspices of any European power." [20] Although Seward did not think it expedient at the time to accept this as a statement of the government's policy, he conceded that it was the unanimous sentiment of the American people.

After the end of the Civil War the United States firmly but courteously demanded that the French forces be withdrawn, and Napoleon III, already worried by the European situation, thought it best to comply.[21] Maximilian was not able to resist long after the French forces were reëmbarked, and on May 16, 1867, he was compelled to surrender to the republican forces under General Diaz. In spite of protests from Europe and the United States, he was courtmartialed and shot. Napoleon's dream of a great western empire dominated by France, and assuring him the support of Austria, proved equally vain with the Plombières conference and the pact with Cavour, similarly intended to assure him the enthusiastic support of a united Italy.[22]

Following the short-lived imperial régime, Juarez once more reëstablished himself, and although he was forced to maintain a constant struggle against sectional uprisings, he retained control of the government until his untimely death in 1871. He is still regarded as the father of constitutional government in Mexico, for it was due principally to his efforts that the liberal constitution of 1857 was established and maintained.

The political history of Mexico has been scarred by many revolutions, uprisings, and rapid changes of government, but the period from 1876 to 1911 will always remain a notable exception. On November 26, 1876, Porfirio Diaz, a pure-blooded Indian, gained control of the government. He had himself elected president in 1877, and thereafter, with the exception of a single term, he ruled

[20] J. B. Moore, *Digest of Int. Law*, Vol. VI, p. 496

[21] *Ibid.*, pp 498-503 See also *House Ex. Doc. No. 73*, 39th Cong., 1st Sess., Part II, and *Sen. Ex. Doc No. 6*, 39th Cong., 1st Sess.

[22] For a concise, well documented account of the French intervention in Mexico, see J. H. Latané, *The United States and Latin America* (New York, 1920), Chap. V.

Mexico during the next thirty-four years. There has been much dispute as to the real advantages to Mexico of the Diaz régime. From the viewpoint of law and order, nothing better could have been desired. By means of an efficient rural police, well paid and well mounted, bandits were pursued relentlessly. A bandit soon discovered that but two opportunities were left for him: to continue his trade, with the certainty of an early demise at the hands of a firing squad, or to enlist in the *rurales*. "It takes a thief to catch a thief," was never better illustrated.

In its relations with foreign powers, the government of Diaz was very successful. To establish financial credit, the president recognized the need of foreign capital, and he determined to encourage it. But although his government was quickly recognized by foreign governments—the United States alone delayed till 1878—yet, owing to the danger of civil strife, capital was very loath to enter. Railways were especially needed. But, in order to get them built, extremely liberal inducements and concessions had to be offered; and these had to be strengthened by onerous guarantees. In some cases, even a share of the customhouse revenues was demanded. But, with the realization that Diaz was in earnest, governments encouraged their citizens to invest in Mexico. The following passage in a communication to our minister from Mr. Blaine, the Secretary of State, dated June 1, 1881, shows the excellent impression already made at that time:

> It is a source of profound satisfaction to the government of the United States that the political situation of Mexico is so apparently and assuredly in the path of stability, and the administration of its constitutional government so regular, that it can offer to foreign capital that just and certain protection without which the prospect even of extravagant profit will fail to tempt the extension of safe and enduring commercial and industrial enterprise. It is still more gratifying that, with a full comprehension of the great political and social advantages of such a mode of developing the material resources of the country, the government of Mexico cordially lends its influence to the spirit of welcome and encouragement with which the Mexican people seem disposed to greet the importation of wealth and enterprise in their midst.[28]

[28] *Foreign Relations of the United States*, 1881, p. 761.

In a report made to the House of Representatives in the session of 1883-84 on the trade between Mexico and the United States, it was shown that most liberal concessions had been made to corporations of the United States for the construction of railroads in Mexico. The subventions alone amounted to some $90,000,000, and Mr. Thomas Nickerson of Boston, president of the Mexican Central Railroad, stated that about $30,000,000 of American capital had been invested in railroads in Mexico in the past two years. It was also pointed out that already about eighteen hundred miles of railroad had been constructed in Mexico by citizens of the United States. The results of these improvements were shown in the growing volume of commerce. The total value of the commerce of the United States with Mexico in 1877 was about $11,000,000. In 1882 it had more than doubled, while the revenues of Mexico had increased from $17,800,000 to $34,000,000. Well might the report say, in concluding, that "the line of policy adopted by the Mexican government since the restoration of the republic, of aid in promoting the construction of railroads to connect that country with the United States, and the persistency with which that policy has ever since been pursued, commends Mexico to the favorable consideration of the more advanced nations of the globe." [24]

To carry out such a policy in a country that had so long been unused to political restraint required a strong executive. It was not enough to check robbery on the highways: it must also be abolished in the government. Diaz himself was honest, and he intended that his subordinates should be the same. Hardly had he come into power before the first payment on claims amounting to more than four million dollars owing the United States came due, and he proposed to meet it. He cut officials' salaries, including his own, and weeded out large numbers of superfluous public servants. Real reforms could, however, hardly be introduced and firmly established within a four-year term. Yet a law forbade reelection until a term had intervened. Diaz showed his respect for law by refusing to run again at the end of his first term, although unquestionably Congress would have repealed the law

[24] *House Ex. Doc. No. 85*, 48th Cong., 1st Sess

preventing it. One of his own followers, Gonzalez, was elected, and Diaz was given control of the department of public works. But, becoming convinced that his presence cast a shadow over the administration, he resigned and withdrew from national politics. The Gonzalez administration, which had started under the most favorable auspices, came to an end under a cloud of odium and distrust. More subventions were granted than the government could meet and still pay its officials. The foreign capitalists received their installments and the government officers went without pay, unless they resorted to corrupt methods. The foreign debt rolled up to huge proportions. A nickel currency was introduced which had most unfortunate results, and when the Gonzalez administration came to an end the country turned to Diaz unanimously.

For the next twenty-seven years Diaz was reëlected with unfailing regularity, and with no opposition until 1910. He felt that he was best fitted to govern Mexico, and in order to do it effectively he needed full power. The result was a despotism, benevolent perhaps, but unquestionably a one-man government. He laid down a program embracing peace at home and credit abroad, and he put it through, regardless of obstacles. Banditry was virtually abolished; railway mileage was increased from 400 to 15,000; the national income was increased from $20,000,000 to over $100,000,000 annually; government bonds were raised to par from 10 cents on the dollar, and at the same time interest rates were reduced from 10 or 12 per cent to 4 per cent; imports were increased eightfold and exports sixfold; silver mines raised their output from $21,000,000 to $125,000,000; even education was not entirely overlooked, and at the close of the Diaz régime there were three times as many schools as at the beginning. Finally, to the president's credit it must be observed, that at the end of his administration, with unlimited opportunities for self-aggrandizement, his total fortune amounted to about a quarter of a million dollars.[25]

[25] For complete statistics on Mexican finances during the Diaz government see the *Mexican Year Books, 1908-14* (London, 1908-14). For a well written, unbiased account of the Diaz régime see David Hannay, *Diaz* (New York, 1917).

If we could leave the Diaz régime with a mere statement of the many material benefits which it conferred upon Mexico, Porfirio Diaz would rank as one of the world's great statesmen. But, unfortunately, there is a reverse side to the picture. A scientific form of government which functioned very effectively, which kept peace at home and friendship abroad, had been established, but almost wholly in the interest of the *científicos* who controlled it. The financiers, the large land-owners, and the government officials found the system most satisfactory. But how did it meet the needs of the great mass of Indians who constituted about three-fourths of the population? It must be conceded that it did nothing for the peon except to exploit him. The land was held in great estates, some containing as high as half a million acres. There the peon and his family had to live in a condition bordering upon slavery; there he must give his service to the farmer at a starvation wage, and often take out all his pay in trade at the *hacienda,* or plantation store. It was estimated that almost 80 per cent of all the farm and plantation laborers in Mexico were slaves, or peons. The Diaz government must be held responsible for encouraging, rather than frowning upon, the peonage system. A still greater blot upon it was the inhuman treatment of the Yaqui Indians. With full cognizance of the government, these unfortunates, among the highest type of Indians found in the western hemisphere, were unjustly dispossessed of their lands and then sold into virtual slavery in Yucatan to work in the henequen plantations. Therefore, even if we conceded that Diaz was "the master builder of a great commonwealth," as one of his biographers has termed him,[26] in the last analysis his building could not endure because the foundation was laid upon special privilege. He was a great administrator, and he raised Mexico to a higher level, economically and politically, than it had ever attained before. But he accomplished this result as an arbitrary tyrant rather than as a democratic ruler, and at the expense of the most numerous class of the Mexican people.

[26] José F. Godoy, *Porfirio Diaz, The Master Builder of a Great Commonwealth* (New York, 1910).

The very fact that the whole Mexican political system depended upon the vigor of the man in control was the cause of its utter collapse when that prop was withdrawn. The system was extremely centralized, very much like France under Napoleon I. The executive power counted for everything in the state, and that rested in the president's hands. The governors in the various states were nominated by the president and responsible to him, although the formalities of popular elections in accordance with constitutional formulæ were regularly carried out. Although on paper the legislative bodies, both federal and state, appeared quite as representative as the corresponding bodies in the United States, they were, in reality, wholly dominated by the executive. As long as Diaz was vigorous enough to direct the state in person, the system worked. But gradually he was forced, through weakness arising from advanced age, to allow his ministers more and more power. The result was an apparent sacrifice of Mexican natural resources of every sort through the *científicos* to various foreign interests, particularly English and American.

In 1910 President Diaz, at the age of eighty years, once more stood for reëlection, although he had declared publicly in 1908 that he was serving his last term. The opposition, long repressed, might have endured Diaz—he could not live forever—but it refused to accept his choice for the vice-presidency, Señor Corral, one of the leaders of the hated *científicos*. A leader appeared in the person of Francisco Madero, a weak but impassioned theorist, who gained added prestige from the fact that he was fighting for democratic principles in spite of being a member of the wealthy land-owning class. At first his campaign for a democratic election was ridiculed; but at length, taking alarm, the government had him seized and imprisoned at San Luis Potosí. It was from this place that he issued his famous plan, declaring the recent elections illegal because the public had been excluded by violent means from participating, and assuming provisionally the presidency of Mexico. The plan further fixed November 20, 1910, as the day for the armed protest to begin. However, the most important feature of the plan was the clause of Section 3, promising

a revision of the decrees dispossessing small proprietors of their land, which was to result in restitution to the former owners.[27]

After issuing the plan, Madero fled across the border to San Antonio; but, returning in November, he soon had a large following. Other outbreaks were led by Orozco in the north and Zapata in the south, and in February, 1911, Gonzalez, governor of Chihuahua, joined his state troops to the revolutionists. The government seemed wholly unable to stem the fast rising revolutionary tide, and although Diaz, in his message to Congress on April 1, 1911, promised a correction of local abuses, electoral reform, division of the large estates, and a reform in the judicial system, it was too late.[28] To prevent further bloodshed, he resigned, May 25, and early on the following day he left for Europe. A provisional government was set up, and Madero entered Mexico City in triumph on June 8. In the election held in October of the same year he was elected president by an overwhelming majority.

Even if the new executive had possessed the organizing ability and the will to achieve of Diaz, it would have been very difficult to put into effect the socialistic clauses of the San Luis manifesto. To expect such action from the visionary theorist who now held the reins of government was futile. It was not sufficient that Madero honestly desired to give Mexico a truly democratic government, since he lacked every attribute that would have rendered the accomplishment of his program possible. Before the inauguration, Zapata was stirring up trouble against the new administration, and Orozco quickly followed suit. The situation soon became so critical that the United States was forced to send a warning to the Madero government that American property must be protected, and to make the warning doubly sure a similar warning was sent to General Orozco.[29] The situation of Americans in Mexico throughout the period when Madero held office was so critical that the United States was forced to keep extra troops on the border constantly, in anticipation of emergen-

[27] For the text of the plan and an excellent summary of the events leading up to it see *Foreign Relations of the United States*, 1911, pp. 348-354.

[28] *Ibid.*, p. 445.

[29] *Foreign Relations of the United States*, 1912, p. 787.

cies, and an American transport was sent to bring back Americans desiring to leave.

Madero's inability to keep in check the revolutionary movements was not so detrimental to his success as his failure to remain popular. He soon fell under the control of a set of politicians with members of his own family at their head. He was accused of lending more than half a million dollars to his brother Gustavo from the funds of the public treasury; of failing to comply with the promises made to the working classes; of filling all the important public offices with members of his own family; finally, of permitting the same exploitation of the nation's natural resources by foreign capitalists that had gone on under Diaz, save that now the chief operator was the Standard Oil Company rather than the Pearson Syndicate.[30] In a long despatch dated August 28, 1912, Mr. Henry Lane Wilson, the American ambassador, thus summed up the situation, after noting the wide area given over to devastation and slaughter:

> In the midst of this appalling situation in the north and in the south, the federal government sits apathetic, ineffective, and either cynically indifferent or stupidly optimistic. This peculiar phase of the situation I believe to be largely due to the character of the president, who is one day a Diaz come again and the next day an apostle of peace, the apologist for important bandits and criminals and the enemy of monopolies, landholders, and privileged characters and classes. To such an extent has this wavering and unsettled policy been carried that it has lost the president the confidence and support of all classes, and to-day he stands practically alone, sustained only by the sympathy of his numerous family, the administration office-holders, and the useful and established apprehension that the evils which exist are less than those which might be anticipated with his downfall.[31]

A brief period of respite was obtained by the Madero government through the recapture, with little difficulty, of Vera Cruz, which Felix Diaz, nephew of the former president, had seized. But the day of settlement was merely postponed. On February 8,

[30] For a critical account of this period see E. I. Bell, *The Political Shame of Mexico* (New York, 1914).

[31] *Foreign Relations of the United States*, 1912, p. 830.

1913, the younger Diaz started a revolt in Mexico City, and throughout the next ten days—the *decena trágica*—the capital was the scene of continuous fighting. Civilians were in constant danger, and the situation finally appeared so hopeless that Ambassador Wilson called a conference of the foreign ministers, and it was unanimously decided that President Madero be asked to resign to avert further bloodshed. But the president was firm in his resolve to maintain his position, and replied that if necessary he would die in defense of his rights as legally elected president.[32] On February 18, General Huerta, in command of the government forces, suddenly turned against the president and ordered his arrest. A truce was patched up, and on February 20 a provisional government was established, with General Huerta in control. The American ambassador urged immediate recognition of this government. But before the negotiations were completed the situation was altered by the murder of both President Madero and Vice-President Suarez while being conducted from the National Palace to the penitentiary. The official version of the affair as given out by the Huerta government was that two groups of armed men attempted to release the prisoners, and in the fight that ensued both the president and vice-president lost their lives.[33] Other accounts, however, indicated that the two prisoners were placed against a wall and shot. Whatever the truth may be, a strong reaction immediately set in against the provisional government, particularly in the states of Sonora and Coahuila. Foreign recognition was also delayed, notably that of the United States and Great Britain, although Ambassador Wilson urged the Taft administration to grant recognition to prevent worse confusion.[34] But President Taft, at the end of his term, was unwilling to bring possible embarrassment upon his successor by inaugurating a policy that the latter would not be able to carry out. Hence the matter was turned over intact to the Wilson administration.

[32] *Ibid.*, 1913, p. 711.

[33] *Ibid.*, p. 732.

[34] *Ibid.*, p. 741 For a first hand account of the events of this period see Henry Lane Wilson, *Diplomatic Episodes in Mexico, Belgium, and Chile* (New York, 1927), Chaps. XXIX-XLIV

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CHAPTER VII

OUR RECENT RELATIONS WITH MEXICO

THE advent of the Wilson administration found the situation virtually unchanged. In Sonora, opposition to the Huerta régime continued strong; while in Coahuila, Governor Venustiano Carranza declared his intention of inflicting summary vengeance upon the usurping government. His "Constitutionalist" movement was soon supported by other well known leaders, among whom were two destined to play very important parts, Francisco Villa and Alvaro Obregón. However, as General Huerta continued to strengthen his authority, the European governments, Spain and Great Britain taking the lead, extended recognition. In a long despatch to Washington, dated May 15, 1913, the American ambassador, Mr. Henry Lane Wilson, strongly urged that the United States also extend recognition to the established Mexican government. On June 9 he wrote that, "at the risk of being considered intrusive and insistent, I must again urge upon the President that on the highest grounds of policy—which in this case I understand to be the conserving and the extension of our material interests in Mexico, the restoration of peace, and the cultivation of sentiments of friendship and respect with a neighboring and friendly nation—we should, without further delay, follow the example of all governments accredited here but two, and accord official recognition to the present provisional government." [1]

President Wilson preferred to follow a policy of "watchful waiting," but, in order to show his friendly intentions towards the Mexican people, he sent John Lind, ex-governor of Minnesota, as his personal representative to offer the good offices of the United States in an attempt to establish peace upon a satisfactory basis. His instructions to Mr. Lind made it clear that such a settlement was conditioned upon (1) an immediate cessation of fighting; (2) an early and free election; (3) General Huerta's

[1] *Foreign Relations of the United States*, 1913, p. 807.

consent not to be a candidate for president; (4) an agreement by all parties to abide by the results of the election.[2] Although the envoy was received courteously enough by the Mexican government, it categorically refused to treat with him on the basis outlined, and the only result of his mission was to inspire in Huerta and his party a more bitter hatred towards the United States.

This feeling showed results in a number of incidents. On April 9, 1914, a paymaster of the U. S. S. *Dolphin,* landing at Tampico with a crew to obtain supplies, was arrested by an officer and squad of General Huerta's army. Two American sailors who had remained in the boat were forced to land, although the American flags at the bow and stern should have protected them. General Huerta ordered their release and expressed his regret, but refused to meet Admiral Mayo's demand that he salute the flag of the United States. A few days later an orderly from U. S. S. *Minnesota* was arrested at Vera Cruz while ashore in uniform, and was forced to spend some time in jail. President Wilson upheld Admiral Mayo, and when it was finally seen that Huerta would not comply, the American fleets were ordered to establish a pacific blockade of the Mexican coasts.

In his review of the situation before Congress, President Wilson pointed out that "a series of incidents have recently occurred which cannot but create the impression that the representatives of General Huerta were willing to go out of their way to show disregard for the dignity and rights of this government, and felt perfectly safe in doing what they pleased, making free to show in many ways their irritation and contempt." [3] On April 21, in order to prevent the German steamer *Ypirango* from landing a consignment of arms, the American forces shelled Vera Cruz and then landed and seized the custom-house; after rather sharp fighting, they occupied the city completely.[4] When this was followed by an embargo on the shipment of arms into Mexico, and a complete severance of diplomatic relations, it was believed, both in

[2] *Ibid.*, p. 822.

[3] *Congressional Record,* Vol. 51, p. 6908.

[4] For the details of the Vera Cruz affair, see J. P. Tumulty, *Woodrow Wilson as I Know Him* (New York, 1921), p. 150.

the United States and in Mexico, that armed intervention was at hand. At this critical juncture Argentina, Brazil, and Chile tendered their good offices to effect a settlement of the difficulties, and their proffer was accepted. General Huerta, now almost at the end of his financial resources, and worried by the continued successes of the Constitutionalists under Villa and Carranza, could hardly afford to refuse. Carranza also was invited to suspend hostilities and send representatives to Niagara Falls, though it was hardly to be expected that, with success so near at hand, he would do so. Torreon had fallen to Villa early in April, and the Constitutionalists had captured Tampico on May 13, a week before the conference opened. The deliberations lasted six weeks, but with no practical results other than allaying South American fears in regard to the Mexican policy of the United States.[5] A fortnight after the adjournment of the conference, General Huerta, realizing the hopelessness of his cause without American recognition, turned over the government to Señor Carbajal and left the country.

President Wilson has been much criticized for his failure to recognize Huerta, and it has been asserted that much of the subsequent bloodshed and anarchy which ultimately forced American intervention could have been averted by a prompt recognition of the latter's *de facto* government. Such speculation *a posteriori* seems rather futile, considering the fact that at no time during his control of the Mexican government was Huerta able to put down the various factions that refused to recognize his authority. More proper complaint may be lodged against the grounds on which the President refused recognition, namely, that Huerta had employed unconstitutional methods to gain the presidency. Was not such an attitude in reality intervention in the domestic concerns of a foreign country? Were the methods employed by Carranza to gain control of the government any more constitutional?

Whatever may be said for or against the policy of watchful waiting, it soon became decidedly unpopular in the United States. Hardly had Carranza entered Mexico City before Villa raised a

[5] The protocols of the conference may be found in the publications of the World Peace Foundation, Vol. VI, No. 1 (February, 1916).

new revolt in the north, while Zapata continued his depredations in the south. The government was finally compelled to take refuge at Vera Cruz, and Mexico City became the plaything of all factions—the Constitutionalists occupying and reoccupying the city four different times. On June 2, 1915, President Wilson addressed a strong plea to the leaders of the various factions to act together for the relief of their prostrate country, declaring that, while the United States did not desire or claim the right to settle the affairs of Mexico for her, yet she could not stand indifferently by and do nothing to serve her neighbor.[6] When this produced no results, our government held a conference with the six ranking Latin-American representatives, and a joint note, signed by the United States and the ministers from Brazil, Chile, Argentina, Bolivia, Uruguay, and Guatemala, was despatched, August 11, 1915, to Carranza and Villa. The two leaders were asked to meet at some neutral place to exchange ideas on the creation of a provisional government which should take the first steps necessary to the constitutional reconstruction of the country.[7] General Villa accepted forthwith, but General Carranza declared that he could not consent to the discussion of the domestic affairs of the republic by mediation or on the initiative of any foreign government. Nevertheless, when Carranza gave pledges that his government would guarantee that the lives and property of foreigners in Mexico would be respected, and that damages caused by the revolution would be settled, President Wilson, on October 19, 1915, authorized his *de facto* government to be recognized by the United States.

Enraged by this triumph of his rival, Villa swore vengeance upon the United States, and on January 10, 1916, eighteen Americans holding passports of safe conduct issued by the *de facto* government were taken from a train at Santa Ysabel and shot in cold blood. On March 9 Villa raided the little town of Columbus, New Mexico, killing seventeen Americans and carrying away horses. The American government thereupon ordered General Pershing to pursue the bandits across the border, with orders to

[6] E. E. Robinson and V. J. West, *The Foreign Policy of Woodrow Wilson* (New York, 1917), p. 268.

[7] *Amer. Jour. of Int' Law*, Vol. X (April, 1916), p. 364.

capture them or destroy their band. Instead of cooperating, the Carranza government seemed desirous of thwarting the purpose of the expedition, and, as American troops continued their vain quest farther and farther inland, it showed itself openly hostile. Finally General Jacinto Trevino issued a pronunciamiento informing General Pershing that if he moved his troops farther south, east, or west he would be attacked.

President Wilson had been patient, but his forbearance had a limit, and he immediately ordered 150,000 militia under arms and despatched them to the border. In a long despatch to the Mexican government, dated June 20, 1916, Secretary Lansing reviewed the whole situation and made it clear that the American troops were in Mexico to accomplish a duty that had been forced upon it through the impotence of the Mexican authorities. Therefore the demand of the Mexican government for "the immediate withdrawal of the American troops" could not be entertained.[8] The day after the despatch of this note the situation was rendered still more grave by an attack upon the American troops at Carrizal, in which some soldiers on each side were killed and seventeen American soldiers were taken captive. The United States government notified American citizens to leave Mexico, and, with American troops massed on the border, war seemed inevitable. A demand for the immediate release of the prisoners and a definite statement of the Mexican government's purposes finally aroused Carranza to the danger of his position. The captives were released, and Carranza proposed that an offer of mediation on the part of Spain and several Latin-American countries be accepted. The United States thereupon suggested a joint conference, with three commissioners from each side, to arrange a settlement. This solution was accepted by the Mexican government, which named as its delegates Luis Cabrera, Minister of Finance, Alberto Pani, president of the Mexican International Railways, and Ignacio Bonillas. The United States was represented by Franklin K. Lane, Judge George Gray, and John R. Mott.

The conference convened September 6 at New London, Connecticut, and continued, with several recesses, until November 24.

[8] This correspondence may be found in *ibid.*, Supp. pp. 179-225.

The Americans were especially insistent on the protection of foreigners and their interests in Mexico, while the Mexicans urged the immediate withdrawal of American troops from Mexican soil. A protocol was finally signed providing for the withdrawal of General Pershing's army within forty days, provided no new raids should occur in the meantime, the United States reserving the right to send an army into Mexico to capture bandits who had invaded American territory. Claims for damages and plans for economic development were left to future negotiations.[9] Although the Carranza government did not ratify the protocol, in accordance with the recommendation of the American commissioners the American troops were ordered withdrawn, and on January 2, 1917, diplomatic relations were resumed with the appointment of Henry P. Fletcher as American ambassador to Mexico. Villa remained at large, and Carranza gained added prestige for his successful baiting of the United States; but President Wilson had the satisfaction of preventing intervention from becoming war at a time when there was a greater need for American troops and resources in Europe than in Mexico.

Another very important problem that the government had to solve was the devising of some means whereby the dictatorship could be resolved, with the least possible friction, into a constitutional régime. To this end, a constitutional convention was called to adopt a new constitution in place of the one of 1857, and the delegates assembled at Queretaro in February, 1917. As it was hoped in 1857 to make Mexico a democratic state by giving her a democratic constitution modeled upon the constitution of the United States, so now, sixty years later, it was hoped to solve the various social and economic problems by incorporating their remedies in a constitutional formula.[10] In the framework of government the new constitution followed the constitution of 1857, providing for a president elected for a single four-year term, with duties very similar to the duties of the President of the United States, and a bicameral congress, the senate consisting of two mem-

[9] Text of protocol, *ibid.*, Vol. XI (April, 1917), p. 403.

[10] The text of the constitution of 1917 may be found in *Investigation of Mexican Affairs, Senate Document No. 285*, 66th Cong., 2nd Sess., Vol. II, p. 3123.

bers from each state and two from the federal district, chosen directly for a four-year term, and the house elected directly for a two-year term. The federal system was maintained, such powers as were not granted to the national government being reserved to the states. The constitution began with a very elaborate bill of rights and ended with a series of temporary articles regulating the procedure in the first election to be held under it.

The remarkable features of the new instrument, however, were the elaborate and drastic provisions in regard to the church, ownership of land and natural resources, the protection of labor, and various questions of social welfare. An eight-hour day and a seven-hour night were established, night work in factories was forbidden for women and children under sixteen; women were protected before and after parturition; minimum-wage scales were established, providing the same compensation for the same work without regard to sex; employers were required to observe measures of sanitation and hygiene and those designed to prevent accidents; strikes were permitted, but differences between capital and labor were to be submitted for settlement to a board of arbitration, consisting of an equal number of representatives of the workmen and employers, and of one representative of the government, insurance in many forms—old-age, sickness, life, unemployment—was to be encouraged, and even coöperative association for the construction of cheap and sanitary dwelling-houses for workmen was indicated in the constitution as being of social utility. All church buildings, rectories, seminaries, convents, and schools were declared to belong to the nation, and likewise all places of public worship erected in the future. Furthermore, neither charitable nor scientific institutions should be under "the patronage, direction, administration, charge, or supervision of religious corporations or institutions."

The new provisions of most interest to the United States were those concerning the ownership of land and natural resources. Article XXVII declared the ownership of lands and waters to be vested originally in the nation, which has the right to transmit title thereof to private persons. Necessary measures were to be taken to divide large landed estates and to develop small hold-

ings. The ownership of all minerals, phosphates, petroleum, and hydrocarbons is vested directly in the state, is inalienable, and may not be lost by prescription. As to the legal capacity to acquire ownership of lands, it was provided that "only Mexicans by birth or naturalization, and Mexican companies, have the right to acquire ownership in lands, waters, and their appurtenances, or to obtain concessions to develop mines, waters, or mineral fuels in the Republic of Mexico. The nation may grant the same right to foreigners, provided they agree before the department of foreign affairs to be considered Mexicans in respect to such property, and accordingly not to invoke the protection of their governments in respect to the same, under penalty in case of breach, of forfeiture to the nation of property so acquired. Within a zone of 100 kilometers from the frontiers and 50 kilometers from the seacoast, no foreigner shall under any conditions acquire direct ownership of lands and waters."

It can be easily seen that the provisions of this article, especially when it is realized that most of the oil-producing property lies within the 50-kilometer zone, are almost completely prohibitive of further foreign exploitation of Mexican oil resources. However, the more immediate question was in regard to the effect it would have on property already acquired. Article XIV of the constitution seemed to answer this in declaring: "No law shall be given retroactive effect to the injury of any person whatsoever." But another provision in Article XXVII (Sec. IV) declared that commercial stock companies may not acquire, hold, or administer rural properties, but only lands in an area absolutely necessary for their establishments, which the executive of the union or of the state in each case shall determine. This seemed like a dangerous exercise of the executive power, and even before the constitution was signed and promulgated, Secretary Lansing, in a despatch to Charles Parker, representing American interests at Queretaro, protested against this paragraph, pointing out that "the objection to a provision so capable of capricious application appears evident. The precise conditions under which the power vested in the executive may be exercised are not defined. No safeguards are afforded against unwise or arbitrary executive

acts." [11] After considerable correspondence on the subject, it was apparent that, while the new constitution did not interfere with any wells already drilled, it did prevent foreign companies from sinking new wells unless they waived their nationality and organized as Mexican corporations.

The opposition to Article XXVII upon the part of the American oil interests, particularly as to the interpretation placed upon it by Carranza in a series of executive decrees promulgated at different times during the year 1918, formed the bone of diplomatic contention during the remaining part of the Carranza régime. A decree of February 19, 1918, imposing certain taxes on the surface of oil lands, as well as on the rents and royalties derived from their exploitation, seemed to indicate an intention to separate the ownership of the surface from that of the mineral deposits of the sub-surface, thereby confiscating private property under the guise of taxation without just compensation. Both the American government [12] and the oil companies protested, but with little apparent effect upon the intentions of the Mexican government. The Mexican authorities contended that the decrees were merely fiscal legislation, which operated similarly upon its own citizens and upon foreigners, and that therefore Mexico, in the exercise of its sovereign rights, could not admit the interference of foreign governments in the matter. If the foreigners felt themselves prejudiced by the decree, the Mexican courts were open to afford them legal remedies.[13] Mr. Frank L. Polk summed up the American case in an emphatic but friendly fashion in a long note to Mr. Fletcher, the American ambassador, on December 13, 1918. He pointed out that the Mexican attitude regarding the decrees —namely, that merely because they applied equally to Mexican citizens and foreigners the question was one of internal sovereignty, and afforded no rightful basis for interposition by the governments of interested foreigners whose property rights were jeopardized—was not in accordance with international law. "While the Mexican government may see fit to confiscate vested property

[11] *Ibid*, p 3121.

[12] See note of Ambassador Fletcher dated April 2, 1918, *ibid.*, p. 3157.

[13] For a full statement of the Mexican case see the note of E. Garza Perez, Aug 17, 1918, to Henry P. Fletcher, *ibid.*, p. 3161.

rights of its own citizens, such action is in equity no justification for the confiscation of such rights of American citizens, and does not estop the government of the United States from protesting on behalf of its citizens against confiscation of their property." Mr. Polk then went on to show that Mexican citizens had, by their participation in molding governmental policies, a weapon in addition to judicial remedies which foreigners did not possess; therefore, he argued, friendly representations were not out of place.[14] President Carranza finally turned the matter over to the Mexican congress; but no "organic act" on the subject was passed until some years later.

It is impossible to find an absolutely impartial account of the oil question under the Carranza régime, but a few statements on both sides will afford a basis for a fair approximation. Mr. Frederic R. Kellogg, general counsel of the Pan-American Petroleum and Transport Company, sums up the complaints of the oil interests somewhat as follows: Many regulations of a harassing nature to prevent development were adopted; the government allowed the filing of claims against the oil properties by persons claiming to be entitled to acquire them under the Carranza decrees; concessions to drill upon lands comprised within titles held by petroleum companies were granted to Carranza's favorites; no company was allowed to drill on its own land unless it had a drilling permit, and no permit would be granted unless the company agreed to abide by the terms of any petroleum law that might be enacted in the future; Carranza sent his armed forces into the oil regions, resulting in a series of murders and assaults upon the employees of the companies; finally, a campaign of villification against the companies was conducted in Mexico and the United States, accusing them of being tax-dodgers, fomenting rebellion against the Carranza administration, and even seeking to bring about armed intervention by the United States to subserve their own greed and financial ambitions.[15]

On the other side, Mr. Joseph F. Guffey, president of the Atlantic Gulf Oil Corporation, declared that the chief offenders

[14] *Ibid*, p. 3163.
[15] *Ibid.*, p. 3270

in respect to propaganda were the so-called associations ostensibly formed for the protection of American rights in Mexico. As to confiscation, he asserted that

> the Mexican government is not attempting to confiscate oil properties developed and operated by American companies. If such were its purpose, it could easily double or treble the export tax of eleven cents per barrel which was collected on all oil exported from Mexico in 1919. . . . All these companies have to do to conform to Mexican requirements is to recognize the constitution, renounce all oil concessions and leases obtained prior to its promulgation, and take out new permits. This process does not invalidate the occupancy of these properties by oil companies, but simply recognizes the government's right to levy taxes or collect a royalty on oil production. . . . President Carranza I regard as an intelligent, constructive, and honest statesman; he has done more for Mexico and the Mexican people than any other president in its history.[16]

But without question one of the best sources of information upon Mexican conditions during the Carranza régime is the voluminous testimony offered before the Fall subcommittee on the investigation of Mexican affairs, which lasted from August 8, 1919, until May 28, 1920.[17] Hearings were held in Washington, New York, and in various cities and towns along the border, and, in all, more than two hundred and fifty witnesses were examined. Mr. Edward L. Doheny's account of his long struggle against climatic conditions, governmental interference, and discouragement on the part of stockholders is a story of success against odds which rivals the epic tales of the forty-niners. Incidentally, Mr. Doheny brought out the fact that the oil companies, instead of hiring Palaez to protect them against the Carranza régime, were paying him under duress with the connivance of the Carranza authorities, who themselves were wholly unable to give adequate protection. The payments had also been advised by the American State Department.[18]

Whether or not one is in favor of intervention, an unbiased

[16] *New York Times*, Feb 26, 1920.

[17] By a Senate resolution the committee was directed to investigate the matter of damages and outrages suffered by citizens of the United States in Mexico, the proper indemnities, and what measures should be taken to prevent a recurrence of such outrages.

[18] *Investigation of Mexican Affairs*, Vol. I, p. 285.

perusal of this report indicates clearly that Mexico under the Carranza régime was not a safe place for an American citizen, whether he was mine-owner, oil-producer, or the proprietor of a ranch. The report further made it clear not only that there was a vast amount of American capital in Mexico,[19] but that it went there under the protection of, and in many cases at the urgent solicitation of, the Mexican government. It would also seem that until the Carranza government came into power the Mexicans were, for the most part, very well disposed towards Americans and often preferred to work for them rather than for their own countrymen. Finally, despite a good deal of popular suspicion of Senator Fall's Mexican policy, it must be conceded that every effort was made to get at the entire truth of the situation, and that the attempts to prove that a plot existed in the United States to force armed intervention in Mexico failed because no substantial facts were brought forth to substantiate the assertions.

While the Fall sub-committee was at work, a new revolution was started which carried Carranza out of power and down to his death. Like Diaz, Carranza was unable to resign himself to letting the supreme power slip from his fingers. Inasmuch as the constitution prevented a second term, his only chance of retaining control lay in procuring the election of some one who would be subservient to him. The two strongest candidates, General Alvaro Obregón and General Pablo Gonzalez, were not men of this sort. Hence Señor Bonillas, the Mexican ambassador to the United States, was picked; the point was pressed that the country ought to have a civilian president; and Bonillas was pledged the support of a civilian party. Whatever may have been his qualifications, Señor Bonillas was handicapped by his long absence from the country and by his lack of a strong personal following.

President Carranza had signified his intention to allow the elections to be held without any governmental interference. Nevertheless, it was not long before Candido Aguilar, the president's son-in-law, came out for Bonillas, and soon it was manifest that government dictation was again to be reckoned with. The power of the government to bring about the election of its own candi-

[19] The report gives $1,057,770,000 as the exact figure, p. 3322.

date in Mexico is notorious. The only hope for Obregón and Gonzalez was a revolution, and on April 23, 1920, General Obregón and a number of influential leaders raised a revolt in the state of Sonora. The so-called Agua Prieta plan had been adopted, which declared that the sovereignty of Mexico rested in the people; Carranza, it was contended, had violated it; therefore he must give over his power to a provisional president, namely, Governor de la Huerta of Sonora, who should be supreme commander of the state until the elections were to be held. The plan further decreed that the constitution of 1917 should continue to be the fundamental law of the republic.

The revolution spread very rapidly, particularly after leaders like Generals Alvarado, Gomez, and Palaez went over to Obregón, and Gonzalez withdrew his candidacy in Obregón's favor. Early in May, Carranza was forced to flee from the capital, and the revolutionists entered it the same day. Unfortunately for Carranza, he fell in with a small band supposed to be a part of the forces of Palaez, but under the command of Carrera. These men offered to act as guides. But during the night an attack was made upon the sleeping-quarters of General Carranza, and he was shot, presumably by the pretended escort. In the meantime, Congress had chosen Adolfo de la Huerta provisional president, and he postponed the elections from July to September, in order that the provisional government might have time to pacify the country. The delay was necessary, for Gonzalez, apparently repenting his self-effacement, had started a new revolution. But even Mexico was war weary; the revolt was speedily put down, and Gonzalez captured and tried for treason. He was acquitted with the understanding that he would leave the country. Pancho Villa, who also had promised to be good, soon grew tired of inaction and raised a revolt. Realizing the difficulty of capturing him, the government finally got an agreement under which he was to lay down his arms, provided each of his eight hundred followers should receive a tract of land and Pancho himself be given a large estate, with the privilege of keeping fifty retainers at government expense.

On September 5, 1920, Alvaro Obregón was elected president;

and his party, the Liberal Constitutionalist, gained control of both houses of congress. Before taking office, he made a tour of the Mexican states, in the course of which he crossed the boundary and spent some ten days on the American side. He was enthusiastically received, and at El Paso he declared that he felt sure that Mexico was already recognized by the American people, if not by their government. In a speech at Dallas, October 17, he assured his hearers that Mexico would recognize all legal foreign debts and all legal rights of Mexicans and foreigners alike. On December 1, 1920, he was inaugurated. But, although the new government was recognized the same month by Japan, Brazil, Holland, and Germany, the Wilson administration, whose term was soon to expire, thought it best to allow the question of recognition on our own part to be handled by the incoming administration. President Obregón called a special session of congress to meet February 7, 1921, and in his address to the body he stressed the need of legislation to institute a modern banking system, the establishment of an agrarian policy that would encourage the restoration of the land to the people, and the solution of the problem arising from the application of Article XXVII to the nation's petroleum resources.[20]

With men like Señor Calles as Secretary of Interior and Premier, and Señor de la Huerta as Secretary of Treasury to assist him, President Obregón was enabled in a very short time to establish peace and order in Mexico. His attitude towards American investors was firm in maintaining the rights of the Mexican nation, but fair in respecting rights honestly acquired. However, the Harding administration refused to consider the question of recognition until certain preliminary questions were settled.

Secretary Hughes outlined his policy in a general way on June 7, 1921. He insisted that the fundamental question was the safeguarding of American property rights against confiscation. "This question is vital," he declared, "because of the provisions inserted in the Mexican Constitution promulgated in 1917. If these provisions are to be put into effect retroactively, the proper-

[20] Text may be found in the *Mexican Review*, Vol. IV, No. 8 (March, 1921), p. 4.

ties of American citizens will be confiscated on a great scale. This would constitute an international wrong of the gravest character, and this government could not submit to its accomplishment. If it be said that this wrong is not intended, and that the Constitution of 1917 will not be construed to permit, or enforced so as to effect, confiscation, then it is important that this should be made clear by guaranties in proper form."

According to Secretary Hughes, the best way to obtain such guaranties was for the two governments to sign a treaty of amity and commerce in which Mexico would agree to safeguard the rights of property which attached before the Constitution of 1917 was promulgated.[21] Such a treaty of some eighteen articles was presented by United States *Chargé d'Affaires* Summerlin to the Mexican government on May 27, 1921,[22] but President Obregón had already rejected recognition upon such a basis, declaring that "the acceptance and signing of a convention to obtain recognition would be equal to placing in doubt the rights that Mexico has to all the privileges international law establishes.[23]

A series of notes between the two governments now followed which culminated with Secretary Hughes' note of instruction dated July 28, 1922, in which he stated that if the Mexican authorities were not willing to sign a treaty binding Mexico to respect the valid titles acquired under Mexican laws prior to the Constitution of 1917, then the question remained in what manner such assurances should be given.[24]

On March 31, 1923, Minister Pani made a lengthy response, claiming that the accomplished acts of the Mexican government since the correspondence began were such as to affect advantageously the solution of the diplomatic problem. He then cited among other "acts" the signing of the Lamont-Huerta agreement, on June 16, 1922, for the adjustment of the Mexican debt; the negotiations already begun between the Secretary of the Treasury and the representatives of the principal oil companies; and the five *amparo* (injunction) decisions of the Mexican Supreme Court,

[21] *New York Times,* June 8, 1921.
[22] For text see *United States Daily,* May 15, 1926.
[23] *New York Times,* May 21, 1921
[24] *United States Daily,* May 19, 1926.

which had defined in an unmistakable manner the non-retroactive character of Article XXVII.[25] He also justified the agrarian policy as being humane and economic, and insisted that the damages to American agricultural properties were insignificant in comparison with the vital advantages to the Mexican people.[26]

Apparently moved by this plea, President Harding on May 2, 1923, appointed Charles Beecher Warren, former ambassador to Japan, and John Barton Payne, former Secretary of the Interior, as American commissioners to meet two Mexican commissioners for the purpose of exchanging impressions. The conference convened in Mexico City on May 15, 1923, and lasted till August 15 of the same year.[27] The two outstanding issues were the questions arising from the confiscation of American agricultural lands to provide *ejidos* or communal lands to villages who had never had them or had been deprived of them, and the dispute regarding the nationalization of the sub-soil deposits whereby rights possessed by American owners of the property were confiscated.[28]

In the case of the agricultural lands the United States insisted that the indemnity should be paid in cash and according to their just value, and that payment by bonds not convertible into money on the basis of their par value could not be considered as indemnification under the rules of international law.[29] Nevertheless, realizing that an urgent social emergency existed, the United States' commissioners agreed that if the Mexican government would make a statement that its claim to expropriate lands of American citizens for *ejidos* did not constitute a precedent for the expropriation of any other kind of property except for due compensation made in cash, the United States government would consider whether under the circumstances it would be willing to accept for its citizens federal bonds of Mexico in payment for the lands taken,

[25] For the Mexican embassy's official statement regarding the Supreme Court's ruling see *New York Times*, July 8, 1922; for the decisions *ibid.*, Aug. 9, 1922.

[26] *United States Daily*, May 19, 1926.

[27] *Proceedings of the United States—Mexican Commission Convened in Mexico City May 14, 1923* (Washington, D C, 1925).

[28] For a careful and, on the whole, impartial presentation of the legalistic point of view see Antonio Gomez Robledo, *The Bucareli Agreements and International Law* (Mexico City, 1940).

[29] *Proceedings of the United States—Mexican Commission*, p. 29.

providing that the *ejidos* did not exceed a specified area of 1,755 hectares (4,335 acres). Furthermore such action was contingent upon the conclusion of a general claims convention between the two governments under which those dispossessed might present their claims for loss or damage. The Mexican commissioners accepted this formula.[30]

In the case of sub-soil deposits, the Mexican commissioners conceded that those owners of the surface prior to May 1, 1917, who had performed "some positive act" indicating their intention to exploit the sub-soil deposits were protected against nationalization, but insisted that all who had not, had forfeited their rights.[31] Here also, however, a compromise was obtained whereby to those owners who had not performed a "positive act" were given preferential rights to the sub-soil as against third parties. Here again the United States' right to make reservations in behalf of its citizens was recognized.[32]

With these understandings approved by the chief executives of both countries, the government of President Obregón was formally recognized by the United States on August 31, 1923. Shortly afterwards two claims conventions were signed, a general one at Washington on September 8, 1923, covering claims arising since July 4, 1868, the date of the former claims convention,[33] and a special convention signed at Mexico City on September 10, 1923, covering claims arising from losses occurring during the revolutionary activities lasting from November 20, 1910, to May 31, 1920.[34]

President Obregón had at last won his long fight for recognition, but too late to profit greatly by it, for his term of office was almost ended and the constitution forbade his immediate reëlection. Nevertheless he was now able to support openly and effectively the candidacy of General Plutarco Calles, his Secretary of the Interior and a leader of the socialist and labor groups. When a revolution broke out, engineered by Adolfo de la Huerta, former

[30] *Ibid.*, p. 37-44.
[31] *Ibid.*, p. 20-23.
[32] *Ibid.*, p. 47-49.
[33] *U. S. Treaty Series*, No. 678.
[34] *Ibid.*, No. 676.

Minister of Finance and chief candidate of the opposition, the United States showed its friendliness to the newly recognized government by sending a large consignment of arms to the Obregón forces, and placing an embargo on all shipments of arms to the revolutionists. A little later the Navy Department ordered a division of six destroyers to Tampico where de la Huerta was attempting to maintain a blockade, and the State Department requested the governor of Texas to permit 2,000 Mexican federal troops en route from Sonora to cross Texas territory to enter Mexico by El Paso. This seemed to be stretching the bonds of friendly neutrality and the question of our benevolent attitude was raised in Congress. Congressman Fairchild asked that the Harding doctrine against the sale of arms to any foreign power be made the official doctrine of the United States and he was supported by Senators King, Borah, and Johnson in the Senate.[35] Senator Robinson introduced an even more drastic bill in the Senate which would prevent any officer, agent, citizen, or corporation of the United States from selling arms and munitions to any foreign government or its agents.[36] But the Mexican government had the arms and the revolution was soon put down.

During the year 1924 the relations between the two countries were exceedingly cordial. The appointment of Mr. Charles Beecher Warren as ambassador to Mexico indicated the intention of the United States to support the understandings recently arrived at. When for personal reasons he was forced to resign a few months later, he declared that never since the Diaz régime had relations between the two countries been on a more friendly basis. General Calles, who had been elected by a large majority, paid a visit to the United States before his inauguration and was received, both officially and unofficially, in a most cordial fashion.

Unfortunately for the continuance of amicable relations, on March 4, 1925, Secretary Hughes resigned and former Senator Frank B. Kellogg took over the affairs of the State Department. One of his first official acts was to ask Ambassador Sheffield, who

[35] *New York Times*, Jan. 1, 1924
[36] *Ibid.*, Jan. 9, 1924.

had taken Mr. Warren's post, to report to Washington. After conferring with him, Secretary Kellogg on June 12, 1925, gave to the press what one of his former colleagues termed "an unmannerly and unjustifiable" statement. Noting that conditions in Mexico were not entirely satisfactory, Mr. Kellogg declared that we were looking to the Mexican government to restore properties illegally taken and to indemnify American citizens. He understood from the press that another revolutionary movement might be impending. If so, Secretary Kellogg concluded, "it is now the policy of this government to use its influence and its support in behalf of stability and orderly constitutional procedure, but it should be made clear that this government will continue to support the government in Mexico only so long as it protects American lives and American rights and complies with its international engagements and obligations. The government of Mexico is now on trial before the world. . . . We have been patient and realize, of course, that it takes time to bring about a stable government, but we cannot countenance violation of her obligations and failure to protect American citizens." [37]

President Calles resented the implications of this statement and regretted that Mr. Kellogg showed the interest of the United States in the maintenance of order in Mexico by suggesting that revolutionary movements were said to be impending. As for the government of Mexico being on trial before the world, such was also the case with that of the United States, as well as those of other countries, "but if it is to be understood that Mexico is on trial in the guise of a defendant my government absolutely rejects with energy such imputation which in essence would only mean an insult." [38]

However, this diplomatic flurry was merely an ominous portent of a much more serious situation to follow. Although there had been constant recriminations between the two powers in regard to the provisions of Article XXVII of the Constitution of 1917, concerning agrarian reform and the nationalization of the subsoil deposits, no action had as yet been taken by the Mexican

[37] *Ibid.*, June 13, 1925.
[38] *Ibid.*, June 15, 1925

Congress to put these provisions into effect. But in December, 1925, the Mexican Congress passed two laws to remedy this situation—laws generally known as the land law and the petroleum law.[89]

The petroleum law repeated the provision of the Constitution asserting inalienable ownership of sub-soil deposits by the nation; it required foreigners to comply with the constitutional provisions regarding the waiving of nationality and the right to invoke diplomatic protection in so far as Mexican owned property was concerned; it also enforced the clause prohibiting ownership of lands or waters within fifty kilometers from the sea coast and one hundred kilometers from the frontiers. A new feature of the law required all holdings to be confirmed by concessions to be granted for a period of not more than fifty years from the time when exploitation was begun. Furthermore, the concessions to be confirmed must have arisen in lands where exploitation was begun or the contract made prior to May 1, 1917. Detailed regulations for the concessions were also included.

The land law also repeated the constitutional restrictions, and included foreigners participating in Mexican corporations. It was further provided that Mexican companies owning rural property for agricultural purposes would not be granted a permit if there remained in the hands of aliens 50 per cent or more of the total interests of the company. Foreign persons holding 50 per cent or more of total interests could hold the amount in excess of 50 per cent till their death, and their heirs were given five years to dispose of their holdings with an extension if considered necessary. Corporations were granted ten years to dispose of excess holdings.

Even before the passage of these laws, Secretary Kellogg, through the American ambassador, submitted certain inquiries regarding them, and on November 17, 1925, he sent an *aide-mémoire* of personal message to the Mexican Minister of Foreign Affairs in the hope "that the clouds which I perceive on the

[89] For text of the land law see C. W. Hackett, "The Mexican Revolution and the United States, 1910-1926," *World Peace Foundation Pamphlet*, Vol IX, No. 5, p 414; for petroleum law, *ibid.*, p. 425

horizon of friendship between the United States and Mexico may be removed." [40] President Calles replied directly through his Minister of Foreign Affairs that there was "absolutely no cause for perceiving clouds, and that the legislation was merely aimed at dispelling the vagueness of the constitutional provisions and would in no way violate the obligations of Mexico under international law."

The ensuing correspondence which began with the *aide-mémoire* of November 17, 1925, ended exactly a year later with the final reply of the Mexican government dated November 17, 1926. Inasmuch as it amounts to some 50,000 words and much of it is repetition, perhaps the simplest method of approach would be to note the issues involved and the attitude of both parties in regard to them.

The issues in dispute pertained to a difference in interpretation in regard to the four following subjects:

(1) the alleged retroactive features of the land law; (2) the alleged retroactivity of the petroleum law; (3) the insistence on the part of the Mexican government that foreigners owning property agree to submit themselves to Mexican jurisdiction in all disputes concerning their property, on penalty that their property be forfeited if they should invoke the protection of their government; (4) the nature of the agreements formulated at the Conference in Mexico City by the four commissioners in May, 1923.

As to the engagements of 1923, President Calles insisted that they were merely an "exchange of views" and "did not result in any formal agreement other than that of the claims conventions which were signed after the resumption of diplomatic relations." [41] Furthermore, although Mexico recognized the declarations made by its commissioners, the conferences of 1923 were not a condition for the recognition of the government of Mexico and could never be given that character.[42] Finally, the Mexican government refused to recognize the binding force equivalent to a treaty or a constitutional precept in the outlines of policy presented at the

[40] This correspondence has been published as *Sen. Doc. No 96*, 69th Cong., 1st Sess.

[41] Reply of Mexican Minister of Foreign Affairs, Nov 27, 1925, *ibid*, p. 5.

[42] *Ibid.*, p. 34.

conference, since the declarations of neither side took the form of a synallagmatic agreement.[43]

Secretary Kellogg's stand on the binding nature of the oral agreements of the conference is clearly and succinctly stated in his last note of October 30, 1926: "The declarations of the Mexican and American commissioners on that occasion, subsequently ratified by an exchange of notes between the two governments, constituted, in the view of my government, solemn and binding undertakings which formed the basis and moving consideration for the recognition of the Mexican government by this government." [44]

However, inasmuch as the appointment of the two American commissioners was not approved by the Senate, nor was the agreement itself submitted to the Senate for its approval, it could hardly be considered as of the same binding force as a formal treaty. Furthermore, in the minutes of the meeting of the commission on August 2, it is stated that the policy of the present President of Mexico is conditioned within the limitations of his constitutional power and "is not intended to constitute an obligation for an unlimited time on the part of the Mexican government to grant preferential rights to such owners of the surface or persons entitled to exercise their rights to the oil in the sub-soil." [45] Under these circumstances, the legislative branch or a subsequent executive would hardly appear to be legally bound.

In regard to the disagreement due to the Mexican government's insistence that foreign property owners bind themselves not to invoke the diplomatic protection of their government, but agree to submit themselves as Mexicans to Mexican laws in disputes over property under penalty of forfeiture of their property if such protection is sought, a compromise seems to have been reached in the correspondence. In his note of October 7, 1926, Foreign Minister Saenz declares: "The Mexican government therefore does not deny that the American government is at liberty to intervene for its nationals; but that does not stand in the way of carrying out an agreement under which the alien agrees not to be the party asking for

[43] U. S. Department of State, *American Property Rights in Mexico* (Washington, D. C., 1926), p 11.

[44] *Ibid.*, p. 26.

[45] *Proceedings of the United States—Mexican Commission*, 1923.

the diplomatic protection of his government. In case of infringement of any international duty such as a denial of justice would be, the right of the American government to take with the Mexican government appropriate action to seek atonement for injustice or injury which may have been done to its nationals would stand unimpaired. Under these conditions neither would the American government have failed to protect its nationals nor the Mexican government to comply with its laws." [46]

It might be noted, however, that this so-called Calvo clause seems to have been interpreted to some extent in favor of the position taken by the United States in the decision rendered by the General Claims Commission on March 31, 1926, in the case of the North American Dredging Company of Texas v. United Mexican States, even though the Commission dismissed this case and thus sustained the position of the Mexican agent. The Commission found the Calvo clause neither upheld unanimously nor universally rejected by authorities on international law, but it did reject as unsound the right of Mexico or any other nation "lawfully to bind all foreigners by contract to relinquish all rights of protection by their governments. . . . This provision did not and could not deprive the claimant of his American citizenship and all that that implies. It did not take from him his undoubted right to apply to his own government for protection if his resort to the Mexican tribunals or other authorities available to him resulted in a denial or delay of justice as that term is used in international law." [47]

The third point under dispute was the alleged retroactivity of the land law, which required foreign persons and corporations to divest themselves of majority control of corporations owning rural properties for agricultural purposes. According to the terms of this law, corporations were required to dispose of their stock in excess of 50 per cent within ten years, while individuals were allowed to retain such majority stock till their death and their heirs were given five years to dispose of it. Secretary Kellogg insisted that this provision of the law was "manifestly retroactive," since it required

[46] *American Property Rights in Mexico*, p. 14.
[47] *Amer. Jour. of Int. Law*, Vol. 20 (October, 1926), p 800.

the alien owner of rural properties legally acquired under the laws of Mexico "to divest himself of the ownership, control and management of his property." [48] Minister Saenz maintained that the law in the case of individuals was not retroactive nor confiscatory, since it permitted possession till the death of the owner and therefore was merely a limitation upon the right of inheritance, which is in strict conformity with international law.[49] In the case of alien moral persons (corporations) Minister Saenz declared that "in all legislation it is admitted that the law is free to amplify, modify, or restrict the capacity of that class of persons," and since the article referred to future rights, that is those arising from the period of time subsequent to ten years, "its effects cannot be regarded as retroactive, since there was no acquired right but merely expectation of a right." [50]

The final point in dispute covered the parts of the petroleum law which were claimed to be retroactive. Under the mining codes of 1884, 1892, and 1909, owners of the surface were given right to exploit sub-soil deposits of petroleum without special concession of the Mexican government. But Article XXVII of the Constitution of 1917 vested direct ownership of all minerals and petroleum in the nation. According to the minutes of the proceedings of the United States Mexican Commission of 1923, the Mexican executive agreed to enforce the principles of the decisions of the Supreme Court in the five *amparo* cases, which held that Article XXVII of the Constitution was not retroactive in respect to all persons who previous to May 1, 1917, had performed some positive act manifesting the intention of the owner of the surface to exercise his rights. The executive further agreed to grant preferential rights to those owners who had not performed any positive act.[51] However the petroleum law of 1925 changed these vested titles into concessions of fifty years' duration and made no provision for granting preferential rights to those owners who had not performed some positive act.

Secretary Kellogg insisted that the provisions of the petroleum

[48] *Sen. Doc. No 96*, p. 23.
[49] *Ibid.*, p. 11.
[50] *Ibid.*, p 30.
[51] *Proceedings of the United States—Mexican Commission*, p. 47.

law and the regulations issued thereunder which required the owners to apply for confirmation of their titles within one year, and to accept concessions for not more than fifty years from the time when exploitation began "would be nothing but a forced exchange of a greater for a lesser estate . . . a statute so construed and enforced is retroactive and confiscatory, because it converts exclusive ownership under positive Mexican law into a mere authorization to exercise rights for a limited period of time. . . ." [52] Furthermore, not only did Secretary Kellogg object to the fact that no preferential treatment seemed to be accorded to owners who had failed to perform some positive act, but he rejected the entire Mexican doctrine that no vested right was acquired until some positive act had been performed.[53]

The Mexican government claimed that a concession of fifty years' duration which might be renewed for another thirty years protected the working of any property discovered up to date, and that such a system founded upon concessions was even more secure than the system of private ownership. Therefore, although it might seem that the exchange of a title for a concession lessened the right, it was not so in practice. The Mexican case closed with an invitation to the United States to point out any specific case which violated international law, and if the Mexican government should fail to correct such violations it would be disposed to accept in justice the resulting claims of the American government.[54]

Indeed, when we come to the facts of the situation it would seem as though the foreign oil companies for the most part accepted the new legislation. The oil laws went into effect on January 1, 1927, and according to a statement issued by Minister of Labor Morones, 125 out of the 147 oil companies operating in Mexico agreed to accept them.[55] According to figures submitted by Mr. W. W. Liggett to the Senate Sub-Committee on Foreign Relations, out of 28,493,914 acres under development for oil, only 1,660,579 remained for which concessions had not been asked, and

[52] *American Property Rights in Mexico*, p. 4.
[53] *Ibid.*, p. 5.
[54] *Ibid*, pp. 21, 25.
[55] *New York Times*, Feb. 20, 1927.

of this latter acreage 87 per cent was owned or controlled by Edward Doheny, Harry F. Sinclair, and Andrew Mellon.[56]

Apparently the peak of the difficulties had been passed, and four events occurred in the fall of 1927 which presaged an era of better relations. The first was the appointment of Mr. Dwight W. Morrow as ambassador to Mexico to succeed Mr. Sheffield, who had resigned in June. Although a representative of the financial interests, Mr. Morrow was noted for his broad-minded outlook and outstanding ability, and when in presenting his letter of credence he declared that "we shall not fail to adjust outstanding questions with that dignity and mutual respect which should mark the 'international relationship of the two sovereign and independent states' " it was indicated that a policy of compromise and coöperation on the part of the United States could now be anticipated.[57] The second was the repeal by President Calles on October 27 of the decree prohibiting the purchase of goods in the United States by Mexican departments. The third was the unanimous decision of the Mexican Supreme Court rendered on November 17, 1927, granting an appeal restraining the Department of Industry, Commerce, and Labor from cancelling certain drilling permits of the Mexican Petroleum Company, an American concern which had not applied for a concession. The decision declared Articles XIV and XV of the petroleum law, which required companies to exchange their titles for fifty year concessions within one year, unconstitutional in so far as they applied to the case at bar.[58] As a direct result of this decision President Calles recommended to the Mexican Congress the passage of a law amending these two articles so as to confirm all rights derived from lands where exploitation or contracts for exploitation had been entered into previous to May 1, 1917, by issuance of concessions without limit of time. The Mexican Congress passed such a law on December 27, 1927,[59] and on March 27, 1928, regulations were signed by President Calles

[56] *Cong. Record*, Vol. 68 (March 3, 1927), p. 5580.
[57] Harold Nicolson, *Dwight Morrow* (New York, 1935), p. 316.
[58] *United States Daily*, Nov. 19, 1927.
[59] Text in *ibid.*, Jan. 6, 1928.

validating in perpetuity all oil titles obtained before May 1, 1917.[60] The fourth was the non-stop flight of Colonel Lindbergh on December 14, 1927, from Washington to Mexico City. This event had an immediate and remarkable repercussion on public opinion both in Mexico and in the United States, and made for a very considerable improvement in the mutual friendliness and appreciation of the two peoples.

Although Ambassador Morrow had little difficulty in settling the oil controversy, he found the agrarian problem far more complex. He was able by personal efforts to obtain the reversal of some flagrant seizures of American-owned properties and he gave encouragement to American claimants to bring action in the Mexican courts, but the problem itself remained unsolved. Apparently he hoped that the Mexican government would soon abandon its policy of seizing lands and devote itself to improving land already taken.[61]

The religious problem engaged Ambassador Morrow's attention particularly.[62] In February, 1926, a series of orders was issued for the arrest and deportation of foreign priests, for the nationalization of all church property not yet held by the state, and for the closing of all schools, convents and orphan asylums giving religious instruction in violation of Article XXVII of the Constitution. Although there was considerable outcry in church circles in the United States, and the House of Representatives asked Secretary Kellogg for information, the State Department contented itself with a request that American churchmen should not be made to suffer unduly in the enforcement of the law. President Coolidge on September 8, 1926, declared that he regarded the church and state conflict in Mexico as purely an internal question in which the United States could have no interest save in the protection of American rights.[63]

However, Ambassador Morrow, although recognizing the in-

[60] For an authoritative discussion of the settlement see J. Reuben Clark, "Oil Settlement with Mexico," *Foreign Affairs*, Vol. VI (July, 1928), p. 600.

[61] Harold Nicolson, *op. cit.*, p 335.

[62] See Wilfrid H. Calcott, *Liberalism in Mexico 1857-1929* (Stanford University, 1931), Chap XV, for a brief survey.

[63] *New York Times*, Sept. 9, 1926.

advisability of intervening in the struggle between Church and State, was intrigued by the problem, and when Father Burke at the Havana Conference in January, 1928, suggested that Morrow arrange an interview for him with President Calles, the Ambassador agreed to take the matter under consideration. He finally arranged a secret meeting on April 4 at which he was present and during which a temporary compromise was drafted. The following month Morrow persuaded Calles to receive Monsignor Ruíz y Flores, the senior prelate of the Mexican bishops who had sought refuge in Texas. The previous agreement was confirmed and the situation looked quite hopeful when General Obregón, who had been slated to replace President Calles, was murdered July 17, 1928, by a young Catholic. Public opinion was so aroused that hostility flamed anew and the proposed compromise was dropped for the time being.

The next year Morrow again took up the question and persuaded President Portes Gil to receive as emissaries of the Pope, Monsignor Ruíz and Archbishop Diaz. A new agreement was reached on June 19, 1929, which was approved two days later by the Vatican. Although the Church question was by no means settled, a working agreement had been reached which permitted the Church once more to carry on religious services.[64]

Exactly one day before President Hoover's inauguration in 1929 a revolt broke out in Mexico and the new administration decided to utilize its power under the Arms Embargo Resolution of 1922,[65] and while supplying arms and munitions to the government it placed an embargo on all shipments to the rebels. When Secretary of State Kellogg refused to recognize the rebels as belligerents and his successor, Secretary of State Stimson, refused to receive the revolutionary agent sent to Washington, the insurrection collapsed.

Throughout the Hoover administration the relations between the United States and Mexico were exceedingly friendly. J. Reuben Clark, who had been Ambassador Morrow's right-hand man,

[64] Arnold Toynbee called this achievement Mr. Morrow's "greatest diplomatic triumph."

[65] 42 *U. S. Stat. at Large,* 361.

was appointed as Ambassador when Mr. Morrow resigned to enter the Senate, and he ably carried on the Morrow policies. The newly elected Mexican President, Ortiz Rubio, following the precedent set by President Hoover, made a good-will visit to the United States before entering upon his official duties. His cordial reception strengthened the desire for closer coöperation on both sides of the Rio Grande.

It was during this era of good feeling that Genaro Estrada, Mexican Foreign Minister, in a statement to the press on September 30, 1930, gave utterance to a doctrine subsequently called the "Estrada Doctrine" or "Doctrina Mexicana." It was to the effect that recognition of a government should be granted automatically, regardless of the origin of the government. "The Mexican government," he declared, "does not grant recognition which implies judgment; it confines itself to the maintenance or withdrawal, as it may seem advisable, of its diplomatic agents. . . ." [66] This doctrine was erroneously stated to be a repudiation of the Monroe Doctrine, but Estrada, himself, publicly disclaimed any such intention.

It was somewhat of a paradox that although President Franklin D. Roosevelt inaugurated his administration with the "Good Neighbor Policy" the Mexican government was somewhat dubious regarding the new representative of the United States sent to Mexico City to interpret it. The appointment of Josephus Daniels to supplant J. Reuben Clark seemed a rather inauspicious beginning. Mexico had not forgotten that Mr. Daniels had been Secretary of the Navy when Vera Cruz had been shelled and occupied.[67] But since Franklin D. Roosevelt was Assistant Secretary of the Navy at the same time, to have declared Daniels *persona non grata* would have been highly inadvisable. Fortunately, Mr. Daniels manifested such an earnest desire to carry on the sympathetic and friendly policy of his predecessors that he quickly overcame the initial feelings of misgiving.

Another potential cause of trouble which had failed of satis-

[66] *Bulletin of the Pan American Union*, Vol 58, No. 3 (March, 1934), p. 161.

[67] The story is told that President Roosevelt and Mr. Daniels had completely forgotten the incident when the appointment was made.

factory settlement over a long period of time was the question of claims. We have already mentioned the ratification of the two claims conventions of 1923.[68] The first or General Claims Convention covered claims dating back to 1868, and the other, a Special Convention, covered all claims arising during the revolutionary period 1910-1920. A third group known as the agrarian claims arose from the expropriation of American lands subsequent to August 29, 1927, under the Mexican agrarian program. At the advent of the Roosevelt adminisistration out of some 6,500 claims filed under the General and Special Conventions only a few hundred had been settled.[69] All agrarian claims had been excluded pending informal diplomatic discussion between the two governments.

A final settlement was first obtained in the case of the revolutionary claims. Since by 1931 the Special Claims Commission had made awards on none of the 3,176 filed, it was finally decided to make a settlement *en bloc*. By a treaty signed April 24, 1934, the revolutionary claims were to be settled by the payment of a sum proportionate to the final settlement of similar European claims.[70] The total sum was fixed at $5,448,020.14 payable with interest by annual sums of $500,000 which were to be deposited to the credit of the United States government in January of each year. The ninth of these annual payments was made by Mexico on January 2, 1943, and unless interrupted, full payment for the revolutionary claims will have been made by 1945.

A new Special Claims Commission to allocate these awards was set up in 1935 and it completed its work by May, 1938. The Commission considered 2,833 claims, of which 1,475 were disallowed, and 1,358 were allowed wholly or in part. The total amount of the awards allowed before reduction on a percentage basis was $9,135,041.79, thus giving each approved claimant 57 per cent of the original amount allowed.[71] It might be noted that the claims

[68] *Supra*, p 171.

[69] A. H Feller, *The Mexican Claims Commissions, 1923-1934* (New York, 1935), pp 60, 68.

[70] *U. S. Treaty Series*, No. 883.

[71] *Special Mexican Claims Commission—Report to the Secretary of State* (Washington, D. C., U. S. Government Printing Office, 1940).

from the Santa Ysabel massacre which the previous commission had disallowed were awarded $92,910.[72]

In the question of recompense for the seizure of agricultural lands a spirited correspondence between the two governments ensued during the year 1938. Secretary Hull pointed out that between 1915 and 1927 one hundred sixty-one moderate-sized properties of American citizens had been taken, and subsequent to 1927 additional properties valued at more than $10,000,000 had been expropriated. After considerable argument the Mexican government proposed that each side appoint a commissioner who should jointly determine the value of the confiscated properties by May 31, 1939, and as proof of its good intentions the Mexican government agreed to a first payment of one million dollars in May, 1939.[73]

After three payments totaling $3,000,000 had been made under this agreement, a convention was signed in Washington on November 19, 1941, providing for a global settlement of both the agricultural claims and all claims filed by the two governments with the General Claims Commission. Under the terms of this convention Mexico agreed to pay a total sum of $40,000,000, three million dollars at the date of ratification and the balance of $34,000,000 by payments of $2,500,000 annually. It was further provided that other claims would be subject to agreements to be concluded as soon as possible.[74] As we shall see later this convention was merely one of a series of agreements covering the solution of a number of problems including the confiscation of the petroleum properties all of which were signed at this same time.

The armistice in the struggle between Church and State which Ambassador Morrow had obtained in 1929 had by no means settled this question. The Church was not reconciled to the drastic limitations imposed upon its representatives and their work and it sought assistance in the United States. Early in 1935 the Knights of Columbus were persuaded to work towards obtaining American

[72] *Ibid*, p. 104.

[73] S. S Jones and D P. Myers, *Documents on American Foreign Relations, 1938-39* (Boston, 1939), pp. 87-121.

[74] For text of the convention see *Congressional Record*, Vol. 88, No. 21 (Jan. 29, 1942), p. 861.

intervention. Failing to interest Secretary Hull in such a policy, appeal was made to both houses of Congress where less discretion obtains. Representative Higgins wished to withdraw recognition, and recall Ambassador Daniels, while the resolution which Senator Borah introduced, although not so extreme, protested the antireligious campaign and practices of the Mexican government, and authorized the Committee on Foreign Relations to conduct an investigation into the situation.[75] When nothing came of this effort some 242 members of the House of Representatives petitioned President Roosevelt to take some action. When the Knights of Columbus continued the campaign to involve the United States, President Roosevelt wrote a personal letter to the Supreme Knight declaring that no American citizen in Mexico had complained during the year that his religious freedom had been interfered with and as regards Mexican citizens the United States intended to continue its policy of non-intervention.[76] When Cardinal Mundelein a fortnight later eulogized President Roosevelt's foreign policy and decried self-appointed spokesmen for the Catholics in America, the agitation for intervention died down.

A more serious threat to friendly relations arose in 1937, when the Mexican government once again threatened to confiscate foreign concessions in order to nationalize the oil industry.

The Mexican workers in the oil fields staged many strikes during the year 1937 demanding a substantial increase in pay. On December 18, 1937, the Mexican Federal Board of Conciliation and Arbitration ruled that foreign-owned oil companies must increase wages one-third and improve the pension and welfare system. Claiming that such changes meant an annual increase of operating costs of about $7,200,000, the companies sought a permanent injunction. However, the Mexican Supreme Court upheld the award and the Federal Labor Board declared the new wage scale became effective on March 7, 1938. When the companies refused to comply President Cárdenas by a degree dated March 18 announced that the oil properties would be nationalized and indemnification made within ten years. Claiming a "manifest denial

[75] For text of the Borah Resolution see *New York Times*, February 1, 1935.
[76] For text of letter see *ibid.*, Nov. 18, 1935.

of justice" the oil companies appealed to their respective governments.[77]

Secretary of State Cordell Hull issued a statement March 30 conceding the right of the Mexican government to expropriate properties within its jurisdiction but questioning the ability of the Mexican government to make adequate compensation for the large number of properties confiscated. He did hope, however, that a fair and equitable solution might be found.[78] President Cárdenas replied immediately to Ambassador Daniels that "Mexico will know how to honor its obligations of today and its obligations of yesterday.[79]

Nevertheless in spite of this rather vague assurance of compensation, the expropriation of the oil properties soon became a *cause célèbre* in the diplomatic relations of the two countries.[80] There was no question about the popularity of confiscation among the Mexican people. A celebration staged in Mexico City on March 26 brought out a quarter of a million people, and President Cárdenas received wide popular support in his effort to float an internal loan to pay for the seizure. But even with payment conceded there was a wide difference of opinion as to the value of the oil properties. The American oil companies placed their minimum value at $262,000,000, whereas, Mexico estimated that after paying back taxes and back compensation to workers the companies would have about $10,000,000 coming to them.

If the expropriation was stimulating to Mexico politically it was exceedingly detrimental economically. The peso dropped from 3.60 to 6 to the dollar, capital took flight, production of oil diminished, while prices received were lower. Distribution was a serious problem and no considerable market was available except in the Axis powers.[81] Skilled technicians were difficult to obtain

[77] See *ibid*, December 31, 1937; March 4, 8, 19, 1938.

[78] *Ibid.*, March 31, 1938.

[79] *Ibid.*, April 2, 1938

[80] For the Mexican case see United States of Mexico, *The True Facts About the Expropriation of the Oil Companies' Properties in Mexico* (Mexico City, 1940). For the companies' side see Standard Oil Co., N. J., *The Reply to Mexico* (New York, 1940).

[81] It has been claimed that Mexico sold about 10,000,000 barrels to the three totalitarian powers. See A. W. MacMahon and W. R. Dittmar, "The Mexican

and replacement of outworn equipment was a serious problem due to the hostile influence of the dispossessed companies.

But above all the situation was dangerous to the new development of cordial relations. The Roosevelt administration was unwilling to see the well established structure of the Good Neighbor policy jeopardized, and it was willing and anxious to make every effort towards obtaining a fair settlement.

As a first step the United States government encouraged the companies to enter into direct negotiations with the Mexican government. Donald R. Richberg, representing the companies, had numerous conferences with President Cárdenas, and at first a compromise seemed possible.[82] When a deadlock ensued, Undersecretary Welles, on August 14, 1939, made a compromise proposal while at the same time reiterating the necessity for "adequate, effective, and prompt payment for the properties seized." [83] No action was taken on his suggestion, and on December 2, 1939, the Mexican Superior Court unanimously upheld the expropriation as constitutional both as regards movable and immovable property.[84]

The matter was reopened in 1940 by an informal memorandum delivered by Ambassador Nájera on March 16 which failed completely to meet the question at issue. In his reply of April 3, Secretary Hull again stressed the requirement of adequate and prompt compensation and pointed out that the Mexican government had been somewhat remiss hitherto in the payment of claims. He then proposed arbitration for all the questions involved by a tribunal clothed with authority not only to determine the amount to be paid but also the means to make the payment effective.[85]

In the reply of May 1, the Mexican government ruled out arbitration as incompatible in this case since the matter in dispute was domestic in nature and already nearing solution. It was also noted that a private and direct settlement had been made with

Oil Industry Since Expropriation," *Polit. Sci. Quar.*, Vol. LVII, No. 2 (June, 1942), p. 164.

[82] Donald R. Richberg, *The Mexican Oil Seizure* (New York, no date).

[83] S. S. Jones and D. P. Myers, *Documents on American Foreign Relations 1939-1940* (Boston, 1940), p. 217.

[84] See Roscoe B. Gaither, *Expropriation in Mexico* (New York, 1940), Chap. VIII.

[85] S. S. Jones and D. P. Myers, *op. cit.*, pp. 234-238.

the Sinclair interests which it was claimed represented approximately forty per cent of the investment of American nationals in the oil industry.[86] This settlement was for $8,500,000 plus the delivery of 20,000,000 barrels of oil over a four-year period at a determined price. Incidentally, the asking price of the Sinclair interests had been $32,000,000. Inasmuch as a presidential election was in the offing, and President Cárdenas was not up for reelection, the principal oil companies preferred to wait and to hope for a more friendly attitude on the part of the new administration.

Various events now clearly foreshadowed a settlement. Early in November, 1940, President Cárdenas placed an embargo on oil and scrap iron going to Japan and declared that he expected an early, definite, and satisfactory settlement of all pending questions. The visit of Vice-President Wallace as President Roosevelt's special representative at the inauguration of General Avilo Camacho on December 1, 1940, was more than a friendly gesture. The fact that President Cárdenas had to ask the congress for $12,000,000 to bolster the operating deficit of the oil industry was undoubtedly a persuasive element. Finally the success of the Axis powers in overwhelming Europe and the Far East tended to cement the republics of the New World more closely together.

An understanding satisfactory to Mexico and the United States covering not only the oil question but also claims, trade, stabilization of currency, credits, and purchase of silver was announced on November 19, 1941. As regards the expropriation of petroleum properties it was agreed that each government would appoint an expert to determine the just compensation to be paid American owners whose rights and interests in the petroleum industry had been jeopardized by the acts of expropriation. Five months were allowed to fix the amount, and the Mexican government agreed to make an immediate deposit of $9,000,000 cash on account.[87] The two experts Morris L. Cooke, representing the United States, and Manuel J. Zevada, representing Mexico, began their work in Mexico City in January, 1942, and on April 17, 1942, they reported that

[86] *Department of State Bulletin,* Vol 11, No. 45 (May 4, 1940), pp. 465-470.

[87] L. M. Goodrich, *Documents on American Foreign Relations 1941-1942* (Boston, 1942), Vol IV, p. 421.

the valuation of the American-owned oil companies was $23,995,-991. The companies were released from all claims present and future except for unpaid taxes and duties and private claims now pending.[88] Apparently the settlement was based upon a physical valuation of the properties without giving consideration to the value of the subsoil rights. According to valuations set by the companies, the payment amounts to only seven cents on the dollar, and up to date they have refused to accept it. However since they would lack governmental support in any further attempt to collect, their refusal is hardly likely to profit them.

As to the other agreements announced on November 19, 1941, we have already discussed that of claims.[89] The third concerned the negotiation of a reciprocal trade agreement, and this was signed December 23, 1942, the fifteenth of its kind with an American republic. The other agreements were to assist Mexico in its financial position by the stabilization of the Mexican peso in terms of the dollar by the purchase of pesos, to aid silver mining by purchasing newly mined silver at 35¢ an ounce up to six million ounces monthly,[90] and to help finance the highway construction program in Mexico by requesting the Export-Import Bank to accept certain of these highway bonds as security for credits.[91]

Long before the United States entered the war, Mexico had given this country her whole-hearted support. At the Conferences of Panama and Havana her representatives took the lead in supporting continental solidarity and all-out measures for American defense, and even before Pearl Harbor Mexico had agreed to reciprocal use of strategic airports and bases.[92] Before going to the Rio Conference, Mexico severed diplomatic relations with the Axis and at the Conference Foreign Minister Padilla thrilled the delegates with his impassioned plea for support of the men who fell on Wake and in the Philippines "to defend human liberties and the common destiny of America."

[88] *Ibid.*, p. 425.

[89] See above, p. 185.

[90] This was the most criticised agreement in the Senate because of the vast amount of unused silver already stored in the treasury vaults of the United States.

[91] L. M. Goodrich, *op. cit.*, p. 359.

[92] *U. S. Treaty Series*, No. 971.

Early in April, 1942, Foreign Minister Padilla visited the United States and on April 8 he and Under-Secretary of State, Sumner Welles, issued a joint statement covering a program of close economic cooperation. Through funds obtained from the Mexican government and Export-Import Bank certain basic industries such as a steel and tin plate rolling mills were to be established to meet Mexican consumers' needs and to supply goods required by the war efforts of the United States. Arrangements were made for the survey of the Mexican railway transportation system, experts were commissioned to explore the feasibility of constructing small cargo vessels in Mexico, and it was agreed that a high-octane gasoline plant should be constructed as soon as the necessary equipment might be spared.[98]

With the declaration of war upon the Axis powers by Mexico on May 22, 1942, the two governments entered into still closer military relationships. The 1941 agreement for the reciprocal use of air bases was enlarged, United States warships were permitted to use Mexican bases and territorial waters, and United States troops and planes could cross Mexican territory. Under lend-lease provisions Mexico was authorized to purchase war equipment to the value of approximately thirty million dollars. Through a Joint Mexican-United States Defence Commission, close liaison was established for protection of the long and exposed coast line. All Axis nationals were removed from coastal areas; financial transactions of Axis enterprises were subjected to full governmental control; and the United States black list was more rigidly enforced. The two neighbors were as one against the common foe.

In concluding this chapter, a few facts must be given indicating the great importance of Mexico both in its natural resources and in its trade possibilities. In size, Mexico ranks fourth among the twenty-one American republics, having an area of approximately 767,000 square miles, which means a territory almost as large as the United States east of the Mississippi. In natural resources, Mexico is one of the richest countries in the world in proportion to its area. Its mineral resources easily take first place, and silver, gold, copper, lead, and mineral oils are found in almost unlimited quan-

[98] *Department of State Bulletin*, Vol. VI, No. 41 (April 11, 1942), p. 325.

ties. Taxes were paid on more than 30,000 mining properties in 1910, and the mineral output for the year 1909-10 was between $80,000,000 and $90,000,000. Mexico has long been renowned for her famous silver mines; in 1803 Humboldt calculated that Mexico had produced, even at that time, silver valued at more than $1,750,000,000. During the period from 1788 to 1810 the Valencia mine in Guanajuato produced annually almost $1,500,000 worth of silver, while from 1800 to 1804 the Catorce mine in San Luis Potosí produced more than $10,000,000 worth of bullion. Recent figures show a greatly increasing output. The highest silver production seems to have been in 1930, when it reached a value of over $105,000,000. The gold output for the same year was valued at about $13,860,000.

It is, however, the oil deposits that have been Mexico's most prolific source of wealth during the past decades. In 1910, about 3,300,000 barrels of petroleum were exported; in 1915 this rose to almost 33,000,000 barrels, and in 1920 to about 155,000,000 barrels. In 1915 Mexico produced less than 8 per cent of the world's petroleum; in 1920, more than 25 per cent. Although the effect of recent stringent legislation on the oil companies is shown by the fact that whereas in 1935 the world production reached the all time high of over a billion and a half barrels, the Mexican oil fields only furnished 40,000,000 barrels, or about 2½ per cent of the world's output; nevertheless, the value of its reserves and potential production are still of great significance in the world's need of raw materials.

Mexico and the United States are good customers of each other, and before 1914 about 50 per cent of Mexico's imports and about 75 per cent of its exports were from and to the United States. Immediately following the war there was an increase in the percentage of imports from the United States and the exports to the United States increased still more rapidly.

With the coming of the depression and the period of high tariffs the trade dropped very rapidly and the lowest point was reached during 1932 and 1933. The figures for the total trade between the United States and Mexico for the years 1920, 1925, 1935 and

1940, as given by the Bureau of Foreign and Domestic Commerce, are as follows:

MEXICAN TRADE WITH THE UNITED STATES

	1920	1925	1935	1940
Imports from U. S.	$207,854,197	$137,248,000	$65,574,000	$96,940,000
Exports to U. S.	180,191,075	258,431,000	42,467,000	75,780,000

Although the 1940 figures amount in value to less than half of those in 1920, the trend is decidedly upward, and 1941 and 1942 showed a considerable increase over 1940.[1] The *percentage* of Mexico's trade with the United States which in 1940 furnished about 80 per cent of her imports and took almost 90 per cent of her exports was also on the increase.

Even though the foreign trade of the entire world has suffered grievously during the past few years, the internal conditions existing in Mexico during the past two decades have been an added liability, both to the country's purchasing power and to the utilization of its national wealth and resources. It is manifest that an immense commercial increase would be possible if a government were established which, while carefully protecting the sovereign rights of Mexico and safeguarding the interests of its citizens, could, by encouraging the legitimate investment of foreign capital, utilize a greater part of the vast riches of the country for the benefit of its citizens. But although Mexico realizes well enough that foreign capital alone has the magic power to open up the fabled riches of her mineral wealth, this genie, once summoned, is very difficult to control; and it is at this point that the United States can aid both Mexico and herself by continuing to maintain a generous, broadminded policy towards her economically weaker neighbor to the south. Such a policy must be based upon an attitude of friendly coöperation rather than upon selfish exploitation; but it is to be hoped that Mexican statesmen may be sufficiently far-seeing to realize that it can be ultimately successful only when based upon justice and fair dealing on both sides of the Rio Grande.

[1] Official figures are restricted during the war but a close estimate for 1942 gives Mexico's imports from the U. S. at $150,000,000 and her exports to the U. S. at $125,000,000.

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CHAPTER VIII

COLONIAL CUBA AND ITS INTERNATIONAL RELATIONS

THE American colonies had hardly gained their independence before the new republic stretching along the North Atlantic seaboard felt the growing pains of expansion. With a vast expanse of desirable territory spreading westward, ever beckoning to the adventurous hunter and farmer, it is not strange that the newly established nation should continue to look westward for remoter frontiers. The opening up of the great Northwest Territory and its early division into states gave added stimulus. When, furthermore, Napoleon succeeded in gaining control of the extensive Louisiana territory for France, the eyes of the American statesmen were turned south as well as west. In 1802 President Jefferson declared that the day that France takes possession of New Orleans "we must marry ourselves to the British fleet and nation";[1] and when General Le Clerc's disastrous campaign in Haiti forced Napoleon's hand, the President was quick to seize the opportunity. Strict constructionist though he was in domestic policies, he realized that he must be an opportunist abroad. If Paris was worth a mass, surely Louisiana justified straining the constitution.

The Floridas were regarded as of even greater importance to the United States than the Louisiana territory, and it was with the purpose of obtaining the Floridas that Livingston set out on his memorable mission in 1801. After Louisiana was obtained, including West Florida, according to the interpretation of the purchasers, it was merely a question of time before east Florida would fall into the orbit of the rapidly expanding republic. In fact, in 1811 Congress authorized President Madison to use the army and navy to seize and occupy all or any part of east Florida.[2] But the need

[1] P. L. Ford [ed.], *The Writings of Thomas Jefferson*, 10 vols. (New York, 1892-99), Vol. VIII, p. 145.

[2] *American State Papers, Foreign Relations*, Vol. III, p. 571.

was hardly sufficient to proceed to this extremity, and in 1819 Spain was finally persuaded to cede the Floridas and all title to lands that the United States claimed as an integral part of the Louisiana purchase.

A mere glance at the map of the Caribbean shows the strategic importance of Cuba to the country that possesses New Orleans and Florida. It also shows the interest which a nation possessing the Bahamas and Jamaica would have in seeing to it that Cuba should not fall into the hands of a dangerous rival. Therefore, from the beginning of the nineteenth century the United States and Great Britain continued to cast watchful eyes upon each other, lest the Pearl of the Antilles should slip from the ever-weakening grasp of Spain into the outstretched arms of a more dangerous rival.

The importance of the island of Cuba to the United States in the formative period of American foreign policy is perhaps best expressed by Secretary J. Q. Adams in a note dated April 28, 1823, to the American minister in Spain: "These islands [Cuba and Porto Rico] from their local position are natural appendages to the North American continent, and one of them (Cuba) almost in sight of our shores, from a multitude of considerations has become an object of transcendent importance to the commercial and political interests of our Union. Its commanding position, with reference to the Gulf of Mexico and the West Indian Seas; the character of its population; its situation midway between our southern coast and the island of St. Domingo; its safe and capacious harbor of Havana, fronting a long line of our shores destitute of the same advantage; the nature of its productions and its wants furnishing the supplies and needing the returns of a commerce immensely profitable and mutually beneficial, give it an importance in the sum of our national interests with which that of no other country can be compared. Such indeed are between the interests of that island and of this country, the geographical, commercial, moral, and political relations, . . . that in looking forward to the probable course of events for the short period of half a century it is scarcely possible to resist the conviction that the annexation of

Cuba to our Federal Republic will be indispensable to the continuance and integrity of the Union itself." [3]

In the same despatch Mr. Adams pointed out that if the control of Spain was terminated Cuba must look either to the United States or Great Britain. The government of the United States had been confidentially informed that Great Britain was so eager to obtain Cuba that she had offered Gibraltar in exchange. Whether or not this was true, "the transfer of Cuba to Great Britain would be an event unpropitious to the interests of the Union." [4] That Great Britain was not ignorant of the American attitude is shown by a sentence from the diary of Lord Ellenborough, a member of Wellington's cabinet, dated February 8, 1830: "The Americans declared they could not see with indifference any state other than Spain in possession of Cuba." [5] In fact, as early as 1819, when there was some talk in London of the British taking over Cuba, Mr. Rush, the American minister, asked Lord Castlereagh about these reports, but the latter denied any knowledge of such developments.[6] In 1823, when Canning was specially interested in obtaining the coöperation of the United States, he denied emphatically that England desired Cuba.[7] He by no means implied, however, that his government would look with equanimity upon such a desire on the part of the United States.

France also still had certain interests in the Caribbean region; for, though Guadaloupe and Martinique were very small relics of her once glorious trans-Atlantic empire, the nation that had so recently disposed of Louisiana, and that, during her long occupation of Haiti, had been Cuba's nearest island neighbor, could not be expected to lose all interest in this region of buried hopes. The *London Times* in 1825 accurately characterized Cuba as "the Turkey of trans-Atlantic politics, tottering to its fall, and kept from falling only by the struggles of those who are contending for the right of catching her in her descent."

Although the United States' real interest in Cuba dates from

[3] J. B Moore, *Digest of Int. Law*, Vol. VI, p. 380.
[4] *Ibid.*, p. 383.
[5] *Ibid.*, p. 56.
[6] J. M. Callahan, *Cuba and International Relations* (Baltimore, 1899), p. 196.
[7] *Ibid.*, p. 199.

her possession of Florida, the earlier history of the island was associated with that of the mainland closely enough to warrant a brief sketch of Cuban history. Discovered by Columbus on his first voyage in 1492, the island was taken possession of in the name of the King of Spain, and named Maria. But its Indian name, Cuba, persisted, and the Spaniards finally adopted it. The Indians themselves were speedily exterminated by merciless treatment of the Spanish *conquistadores.*

During the sixteenth and seventeenth centuries the island was of little importance to Spain except as a naval base. In fact, it was a liability rather than an asset, owing to its use as a rendezvous by pirates and freebooters, and also the great difficulty that Spain found in protecting it against the English, French, and Dutch buccaneers. The French burned Havana in 1538, and again partially destroyed the city in 1554. The English navigator Drake threatened the island in 1585; but, although his thirty ships passed close to the harbor, and all Havana was prepared to resist the attack, no attempt at landing was made. In the following year the French fired upon Santiago, landed their forces, and looted the town. Philip II finally realized that Cuba deserved more consideration than merely to be utilized as a strategic base for the exploitation of Mexico, and he constructed the great forts of Punta and Morro to protect his "bulwark of the Indies, key to the New World" against the "corsair-caked Caribbean." [8]

But even the famous Morro Castle was not strong enough to save Cuba from the intrepid British in the Seven Years' War. In 1762 the Earl of Albemarle with 10,000 troops from England and 4,000 from the North American colonies, laid siege to the stronghold, and after more than a month of mining and sapping took it by assault. Although the capture came in the "sun-setting time of the age of plunder," it was estimated that treasure and property to the value of about $16,000,000 were obtained. It was of even greater importance to Great Britain since she now held the key to both Mexico and Louisiana. Yet, in spite of Cuba's manifest value, by the treaty of Paris, signed February 10, 1763, England

[8] For an interesting and authoritative narrative of this period of Cuban history see I. A. Wright, *The Early History of Cuba, 1492-1586* (New York, 1916).

returned the island to Spain and received in exchange Florida, which, as Pitt declared at the time, was certainly no equivalent. As one imaginative writer put it, "But for that, Washington and his associates might have failed—the French Revolution might have been postponed—and the House of Hanover at this moment have been ruling over the present United States." [9]

If Spain made a good bargain with her enemy England, she made an even better one with her ally France, whose king out of his generous heart unconditionally ceded to Spain the Louisiana territory. Cuba was now of the greatest strategic and economic importance to Spain, and Havana, which during the short British occupation was opened to the trade routes of the world, was once more closed. Nevertheless, in the short period of English control Cuba had tasted of the forbidden fruit of free trade, and the experience was never forgotten.

During the American war of independence Spain was drawn in by France against England, but her interest in the American colonies was purely selfish, as is shown by the instructions given by the governor-general of Cuba to an agent, urging upon Congress the capture of St. Augustine, Florida, in order that it might be restored to Spain.[10] Later, when Jay appeared at Madrid seeking a treaty granting free navigation of the Mississippi, he was not even granted official recognition. However, before peace was signed, in 1783, Spain showed herself more liberal towards her West Indian possessions than Great Britain, for both Havana and Santiago were opened to foreign commerce. In fact, the commercial code of 1778, which opened nine ports of entry in Spain and twenty-four in her colonies, was a model of liberality for the time.

The French Revolution made the trade between the West Indies and the American colonies exceedingly brisk, but Cuba was not to pass unscathed through the period that followed. A French squadron blockaded the island in 1794 and caused much hardship to the inhabitants. During the Napoleonic era Cuba was threatened alternately by Great Britain and France, and when by the

[9] Anon., "The Conquest of Cuba," *Atlantic Monthly*, Vol. XII (Oct., 1863), pp. 462-475.

[10] Francis Wharton, *Diplomatic Correspondence of the American Revolution* (Washington, D. C., 1889), Vol. III, pp. 412-415.

treaty of San Ildefonso, signed October 1, 1800, Napoleon recovered Louisiana and then sent an expedition to Santo Domingo, well might Jefferson feel that France could no longer remain our "natural friend." Spain had equal cause for alarm. Napoleon could hardly confine his operations to Santo Domingo, with Cuba at his mercy, nor be content with Louisiana, when the wealth of Mexico lay at his feet. Both the United States and Spain had reason to feel thankful over his forced change in plans, for the failure of the expedition against Santo Domingo, and the prospect of an immediate rupture with England, gave Louisiana to the United States and gave Spain a new lease on her colonies. But, as Mr. Slidell declared in 1859, "From the day we acquired Louisiana the attention of our able statesmen was fixed on Cuba. What the possession of the mouth of the Mississippi had been to the people of the west, that of Cuba became to the nation." [11]

We have noted the increasing interest that the United States felt in Cuba after being assured of the possession of the Floridas, as shown by the instructions given by John Quincy Adams to our minister in Spain. Jefferson also, in a note to President Monroe dated October 24, 1823, indicated his feeling on the subject: "I candidly confess that I have ever looked on Cuba as the most interesting addition which could ever be made to our system of states. The control which, with Florida Point, this island would give us over the Gulf of Mexico, and the countries and isthmus bordering on it, would fill up the measure of our political well being." [12] Therefore at this period, when the Spanish colonies in Mexico and South America had virtually established their independence, and when the United States had received trustworthy information that Cuba also was planning a revolt with the purpose of seeking admission to the Union, American statesmen saw the need of great diplomatic caution. When Calhoun urged the acceptance of the Cuban proposal, Adams wisely opposed on the ground that it might mean war with England. It would be wiser, he thought, to say "that our relations with Spain would not allow

[11] *Senate Report No. 351,* 35th Cong., 2nd Sess., p. 1.
[12] P. L. Ford [ed.], *op. cit.*, Vol. X, p. 278.

us to encourage such a proposal." [13] In fact, at a cabinet meeting March 17, 1823, when President Monroe proposed to offer to Great Britain a mutual promise not to take Cuba, both Adams and Calhoun opposed.[14]

The European situation soon worked itself out in such a way that both Great Britain and France were forced to declare themselves in regard to Spanish possessions in America. Although by the fall of 1823 French armies were in full control of Spain, Canning had already notified them "that, as England disclaimed all intention of appropriating to herself the smallest portion of the late Spanish possessions in America, she also felt satisfied that no attempt would be made by France to bring any of them under her dominion either by conquest or by cession from Spain." [15] Great Britain was apparently as anxious concerning the ultimate fate of the Spanish colonies as was the United States. In August of the same year Canning made his famous proposal to the American minister concerning a joint declaration looking towards recognition, to include a definite statement that neither nation aimed at the acquisition of any portion of the Spanish possessions itself, and that neither could see any portion of those possessions transferred to any other power with indifference. Although Adams was unwilling to join with Great Britain in exactly the manner specified, the message of President Monroe, dated December 2, 1823, showed clearly enough our stand in regard to European intervention. Cuba and Porto Rico were saved to Spain, but, by the same token, her other possessions were irretrievably lost.

When, in 1825, Mexico and Colombia proposed a joint action against Cuba, the United States did all in her power to save the island for Spain. Clay gave Poinsett, our minister to Mexico, instructions indicating clearly that, while the United States was not looking to the acquisition of Cuba, yet if the island was to become a dependency of any one of the American states, its geographical position proclaimed that it should be attached to the United

[13] J. M. Callahan, *op cit*, p. 125.

[14] *Memoirs of John Quincy Adams* (Philadelphia, 1874-77), Vol VI, p. 138.

[15] F. E. Chadwick, *The Relations of the United States and Spain, Diplomacy* (New York, 1909), p. 178.

States.[16] Mr. Everett, the new minister to Spain, was also instructed to point out to the government at Madrid the danger of continuing a hopeless war against the revolted colonies if it desired to keep possession of Cuba and Porto Rico.[17] Clay even went so far as to instruct Mr. Middleton, our minister to Russia, to urge the Czar to use his influence with Ferdinand VII to the end that Spain might sacrifice her pride and make peace, thereby saving these valuable islands.

A large French fleet touched at Havana in August, 1825, and caused much anxiety among the powers, which were particularly interested in maintaining the *status quo* in the West Indies. Canning wrote to the British minister at Paris that "as to Cuba you cannot too soon, or too amicably, of course, represent to Villèle the impossibility of our allowing France (or France us, I presume) to meddle in the internal affairs of that colony. We sincerely wish it to remain with the mother country. . . . The Americans (Yankees, I mean) think of this matter just as I do."[18] Clay wrote in a similar vein to Mr. Brown, the American minister at Paris, that the United States "could not consent to the occupation of those islands by any other European power than Spain under any contingency whatever."[19] Canning once more tried to inveigle the United States into coöperating with Europe by proposing a tripartite agreement between Great Britain, France and the United States, disclaiming any intention of occupying Cuba. But Clay felt that the proposal might encourage Spain to continue her hopeless struggle.[20] Inasmuch as France also refused to participate, the matter was dropped.

It was during this same year (1825) that the question arose of the participation of the United States in the Congress of Panama. Although President Adams and Secretary Clay heartily supported the project, the Senate was not so enthusiastic, and the arguments

[16] W. R. Manning, *Early Diplomatic Relations between the United States and Mexico* (Baltimore, 1916), p. 105

[17] W. R. Manning, *op. cit.*, p. 108.

[18] E. J. Stapleton, *Official Correspondence of George Canning* (London, 1887), Vol. I, p. 275.

[19] *American State Papers, Foreign Relations*, Vol. V, p. 855.

[20] A. G. Stapleton, *Political Life of Canning* (London, 1831), Vol. III, p. 154.

of its members against "this new and untried experiment of a congress of nations" shows a marked resemblance to more recent diatribes on a similar subject. Among other objections raised was the possibility that a discussion of the probable destiny of the islands of Cuba and Porto Rico might be forced upon the United States. As long as the war between Spain and the colonies continued, the United States must preserve its independence of action; the mere participation in such a congress would interfere with the influence that the United States now possessed as an interested but impartial third party.[21] In fact, one of the objects of the Congress as indicated by the government of Colombia was: "To consider the conditions of the islands of Porto Rico and Cuba; the expediency of a combined force to free them from the Spanish yoke; and the proportion of troops which each state should contribute for that purpose; and to determine whether the islands shall be united to either of the confederated states or be left at liberty to choose their own government." [22]

The slavery question also entered prominently into the discussion, for if Cuba and Porto Rico were freed, slavery would be abolished there, as it had been in the other liberated colonies, and such a prospect was unendurable to representatives from the southern states. In fact, during the next twenty-five years the American policy of maintaining the *status quo* in the West Indies, and of guaranteeing the sovereignty of Spain over the islands of Cuba and Porto Rico, was based upon the fear of independence for the islands—including, as it would, the freeing of the slaves—almost as much as upon the fear of aggression on the part of Great Britain or France.

The annexation of Texas in 1845 increased the interest of the United States in Cuba, and in December of that year, a resolution was introduced in the Senate, authorizing the President to negotiate with Spain for the cession of Cuba to the United States. Early in the following year a similar resolution came up in the

[21] See *Report of the Sen. Com. on For. Affairs.* This report, with other diplomatic documents, may be found in the *Historical Appendix, International American Conference, Sen. Ex. Doc. No. 232,* 51st Cong., 1st Sess., Vol. IV, pp. 53 *ff.*

[22] *British and Foreign State Papers,* Vol. XII, p. 894.

House. The war with Mexico and the resulting increase of territory to the United States kindled Polk's ardor for expansion, and Cuba offered an excellent outlet. In a long despatch (June 17, 1848) to Mr. Saunders, our minister to Spain, Secretary Buchanan enumerated the manifest advantages that would accrue to the United States from the possession of Cuba: possession of a naval station at Havana would enable us to command the Gulf of Mexico; under American control the island would become exceedingly prosperous and serve as a most profitable market; it would increase the strength and security of the Union, and it would give the United States "a free trade on a more extended scale than any which the world had ever witnessed." Nor would the advantages accrue solely to the United States. Cuba, appreciating the advantage of annexation, was ready to rush into our arms. Spain must realize the distracted condition of the island and the danger of a successful revolution; else the island might be wrested from her by Great Britain. Under these circumstances, "the President has arrived at the conclusion that Spain might be willing to transfer the island to the United States for a fair and full consideration." The maximum price stipulated was $100,000,000.[23] Mr. Saunders was, however, given to understand that Spain, "sooner than see the island transferred to any power, would prefer to see it sunk in the ocean."

Failing to acquire the Queen of the Antilles by peaceful means, certain ardent spirits in the United States were willing to compass it by a mode less justifiable. The discovery of gold in California showed the value of the isthmus in giving an almost all-water route to the west. But the ultimate possession of such a route made the possession of Cuba all the more necessary to protect it. The slave states were more than ever desirous of securing additional territory open to slavery. Therefore it is not surprising that when a Cuban patriot, Narciso López, attempted to recruit an expedition on American soil to free Cuba, he found much assistance in high quarters. A Venezuelan by birth, López had served in the Spanish army, had played a considerable part in Spanish politics, and had finally been made governor of Trinidad. Losing office

[23] J. B. Moore, *op. cit.*, Vol. I, pp. 584-587.

through a turn of the political wheel, he engaged in business in Cuba, but with little success. In 1848 he attempted to stage a revolt near Cienfuegos, but the plot was disclosed and López was forced to flee the country. He went to New York and started the preparation of an expedition which should have the prestige of a great name at the head. Both Jefferson Davis and Robert E. Lee were approached, and when they refused López decided to lead the expedition himself. He had little difficulty in collecting the nucleus of a force, but a proclamation by President Taylor, issued August 11, 1849, warning all American citizens against participation in such enterprises, had a deterrent effect. The two vessels in which the expedition planned to leave New York were seized by the authorities, though the filibusters themselves were not held.

López' next expedition was in the beginning somewhat more successful. Some seven hundred and fifty men were collected, and in the spring of 1850 they succeeded in sailing from New Orleans in three vessels, making a landing at Cardenas. Failing to receive the assistance expected from the natives, and faced with an openly mutinous crew, López was forced to return to Key West. Upon information lodged by a Spanish war-ship which had followed the expedition, the boat was seized and López was arrested. Sufficient evidence to convict the leader of violating the neutrality laws was not forthcoming.

A third (and last) expedition, which left New Orleans the following year, was even less fortunate, and its results were far more serious. A proclamation by President Fillmore on April 25, 1851, stating that persons who violated our neutrality laws not only would be subject to the penalties of our own laws, but would forfeit all claims to protection, had no effect.[24] The expedition, consisting of about four hundred eager adventurers, sailed from New Orleans without clearance, August 3, 1851. A landing was made at Bahía Honda, whence López, with most of the troops, advanced to Las Pozas, where it was hoped an uprising would take place. Meanwhile, Colonel Crittenden, a former American army officer who had served creditably in the Mexican War, was left with a small force in command of the baggage. Attacked by an over-

[24] J. B. Moore, *op. cit*, Vol III, p. 788.

whelming force, Crittenden attempted to escape by sea, but, with fifty of his followers, he was captured by the Spanish and carried to Havana. Here the unfortunate filibusters were given a quick military trial and shot as pirates. López and his force withstood several serious attacks, but, obtaining no assistance from the natives, they were finally routed and dispersed. Some were shot on the spot, others were taken prisoners; López himself was publicly garroted. It was apparent enough that Cuba was not yet prepared to fight for independence. Nevertheless, the execution of Crittenden and his men aroused such a wave of hostility towards Spain and Spanish rule in Cuba that riots broke out in New Orleans and Key West, and throughout the United States the feeling was born that Cuba must be freed, even though it should take all the forces of the United States to accomplish it.[25]

Expeditions of this sort were looked upon with warm disapproval by Great Britain and France, as well as Spain, and there were rumors, in the autumn of 1851, that a treaty had been entered into between France, Spain, and Great Britain to guarantee Cuba to Spain.[26] On April 23, 1852, at the request of Spain, Great Britain and France again invited the United States to enter into a triple agreement disclaiming all intentions of obtaining possession of Cuba.[27] Webster replied that not only did the United States have no designs upon Cuba itself, but it was willing to assist Spain in preserving it. At the same time, the United States could not acquiesce in its cession to a European power.[28] In July the matter was again brought forward by the British and French governments, but Webster's death intervened, and the duty of answering fell to Edward Everett, the new Secretary of State. He replied in an able fashion. He pointed out that Cuba was mainly an American question. It commanded the approach to the Gulf of Mexico; it barred the entrance of the Mississippi; and it stood at the doorway of our intercourse with California by the isthmus route. The United States could not bind herself indefinitely as to her future

[25] For an authoritative and detailed account of the López expedition see Robert G. Caldwell, *The López Expedition to Cuba* (Princeton, N. J., 1915).

[26] J B. Moore, *op. cit.*, Vol. VI, p. 458

[27] *Senate Executive Document, No. 13,* 32d Cong., 2nd Sess., p. 7.

[28] *Ibid.*, p 8

relations with the island—"it would be as easy to throw a dam from Cape Florida to Cuba in hope of stopping the flow of the Gulf Stream as to attempt by a compact like this to fix the fortunes of Cuba now and hereafter." [29] The invitation was respectfully declined.

Such an answer did not mean that the United States looked favorably upon filibustering expeditions. In fact, the note stated that the President had thrown the whole force of his constitutional power against all illegal attacks upon the island. But were there not justifiable means? The Pierce administration, which came into power in 1853, was expected to find and use them. It was "our manifest destiny to move on with the world of progress," and if Cuba impeded our march, acquisition presented no terrors. The appointment as our minister to Spain of Pierre Soulé—a man who had openly lauded López and had urged the government not to delay too long in plucking the Cuban fruit from the Spanish tree—showed that not even diplomatic amenities were to be preserved in our methods.

Hardly had Soulé arrived at his post before he was forced to demand redress for the unfriendly treatment accorded the *Black Warrior,* an American steamship calling at Havana. For some time relations between the United States and Spain had been strained by the autocratic and hostile methods employed by the captain-general of Cuba towards American merchantmen. In 1852 the *Crescent City* was refused a landing, on the ground that its purser had written an article derogatory to the government of the island. In the following year, on a flimsy excuse, the *Ohio* was refused the landing privilege. In the case of the *Black Warrior* the entire cargo of cotton was confiscated because the ship's manifest had the cotton entered as "ballast." This had been done regularly, in accordance with the instructions of the collector, on previous occasions, since the cargo was merely in transit. On this particular occasion the authorities declared the method illegal, and when the captain refused to discharge his cargo, the Spanish

[29] J B Moore, *op. cit.,* Vol. VI, p 469. The correspondence has been published in pamphlet form by Little, Brown & Co. (1853) under the title, *Correspondence on the Proposed Tripartite Convention.*

authorities took over the boat and did it for him. The United States was aroused, and Soulé was authorized to demand a prompt disavowal of the act and an indemnity of $300,000 for damages done to the owners. Soulé presented the demand, and when several days passed without an answer, he put his demands in a more forcible manner, giving the Spanish government forty-eight hours in which to comply. This note provoked a curt rejoinder on the part of the Spanish Minister of Foreign Affairs. Before the situation became more serious, however, a settlement was patched up between the owners of the vessel and the Cuban authorities.[30]

In the United States the whole affair was closely bound up with the question of slavery. The southern states were anxious to obtain Cuba, and were willing to go so far, if necessary, as to make the affair a pretext for war with Spain. Although Pierce was not disposed to proceed to extremities, he was desirous of obtaining Cuba, and he had already sent Soulé confidential instructions giving him full powers to negotiate for its purchase. Spain apparently would make no reparation for the insult to the American flag. But Marcy, the Secretary of State, considered it "less important to settle an account with Spain as to the past than to make satisfactory arrangements for the future."[31] As the best means of making such arrangements, he suggested that Soulé confer with the American representatives in Paris and London. This proposal resulted in a conference at Ostend, Belgium, participated in by the three ministers, who embodied the results of their deliberations in the famous "Ostend manifesto."

This document is one of the curiosities of American diplomacy. In its fervid style, its astonishing proposals, and its naïve excuses it stands unrivaled. Not merely does it point out the value of the island to the United States, and reasons why it should be obtained, but it indicates the advantages that would accrue to Spain through its sale, even going so far as to suggest to her ways of spending the money received. "But if Spain, dead to the voice of her own interests, and actuated by stubborn pride and a false sense

[30] For the correspondence concerning the *Black Warrior* affair see *House Ex. Doc. No. 93*, 33d Cong., 2nd Sess., Vol 10, pp. 30-120.

[31] *Ibid.*, p. 123.

of honor, should refuse to sell Cuba to the United States, . . . then by every law, human and divine, we shall be justified in wresting it from Spain, if we possess the power." [32] Naturally, Pierce was forced to ignore an invitation to become a party to any such international hold-up game as this, and Soulé, who undoubtedly was chiefly responsible for the document, threw up his position in disgust. An American diplomatic official at Paris aptly remarked that Soulé sought Cuba for manifest destiny, Mason for the Southern Confederacy, and Buchanan for the presidency. Despite the fact that Buchanan obtained the presidency and continued to urge the purchase of Cuba, the slavery question was now too closely tied up with the Cuban problem to permit of the island's purchase, even though Spain were willing. "Manifest destiny" was shackled by the growing opposition to slavery.

In the following decade, as Cuba became of steadily diminishing importance in American affairs, its relations with the mother country grew more serious. When Napoleon seized control of the government in Spain, the Cuban provincial council showed its fidelity by taking an oath to preserve the island for its legitimate sovereign. Instead of rewarding the "ever-faithful isle" for its devotion, the restored Bourbons in 1825 gave the governor-general "all the powers which by the royal ordinances are granted to the governors of besieged cities"—in other words, full autocratic powers over the persons, property, and administration of the island. Not many men could be intrusted with such despotic authority without abusing it, and the governors-general of Cuba were no exception. So that, despite the fact that Cuba remained, after the Latin-American revolutions, almost the sole relic of Spain's once vast trans-Atlantic empire, the desire for independence was by no means dormant even in Cuba. Between 1823 and 1830 a number of revolutionary schemes were hatched, though all proved abortive. In 1844 a threatened insurrection of slaves was stamped out in a savage fashion. We have already noted the failure of the López expedition. Not until 1868 did the first serious revolt on the island break out.

The causes of the so-called Ten Years' War—the insurrection

[32] *Ibid.*, pp. 127-132.

dragged along in a desultory fashion for about that length of time—are not hard to discover. In the first place, Spain regarded the island merely as a source of revenue. In the year 1868 the revenue from the island approximated $26,000,000, and virtually none of it was used for Cuba's benefit. The public offices in the island carried very good salaries, but all were in the hands of Spaniards. The corruption among officials was notorious, the "perquisites" in some cases reaching as high as 70 per cent of the total receipts. In the second place, Spain virtually monopolized not only Cuba's exports but also its imports, and the duties were laid just as heavily upon necessities as upon luxuries. Flour was taxed so heavily that wheat bread almost ceased to be an article of food for the common people. Finally, representation in the Cortes, which at one time had been granted, only to be withdrawn later, was felt to be essential to any permanent improvement in the government of the island.

When Isabella II was driven from the throne of Spain by the revolution of 1868, the Cubans seized the opportunity to declare their independence and to organize to maintain it. Carlos Manuel de Céspedes, a wealthy planter and an ardent patriot, raised a body of some 15,000 men, and at the outset the patriots were generally successful. A constitution was promulgated April 10, 1869, and the legislature, which met in accordance with its provisions, elected Céspedes president. But without assistance the patriots could not hope to withstand the well equipped troops that Spain continued to send against them; and finally, upon promises of a general amnesty, representation in the Spanish Cortes, and a few other reforms, peace was brought about by the treaty of El Zanjon, February 10, 1878.[33]

From the beginning, the United States took a keen interest in the war. On March 27 the captain-general of the island, Domingo Dolce, issued a proclamation declaring that any vessels carrying men, arms, or ammunition found in the waters near the island, whatever their destination, should be seized, and persons on board immediately executed.[34] The United States protested immediately

[33] Text may be found in *Sen. Doc. No. 79,* 45th Cong., 2nd Sess., p. 16

[34] *Sen. Ex. Doc. No. 7,* 41st Cong., 2nd Sess., p. 12.

and emphatically. On April 4 the Count of Valmaseda, in command at Bayamo, issued a proclamation to the effect that every man above fifteen found away from his home without a reason would be shot and that unoccupied habitations and those not floating a white flag would be burned.[35] Mr. Fish, Secretary of State under President Grant, wrote the Spanish plenipotentiary: "In the interest of Christian civilization and common humanity, I hope that this document is a forgery. If it be indeed genuine, the President instructs me in the most forcible manner to protest against such mode of warfare." [36]

President Grant, who from the beginning of his term of office showed a decided friendliness to the Cubans, authorized General Sickles, the American minister to Spain, to tender the good offices of the United States to bring to a close the civil war ravaging the island. The bases suggested were: the independence of Cuba; an indemnity to Spain; the abolition of slavery in the island; an armistice pending the negotiations for the settlement.[37] Although some of the leaders of the Spanish government were willing to accept, public opinion opposed and the proffer was withdrawn.

The affair, however, which most aroused the United States against Spain, bringing the two nations to the brink of war, was the seizure of the steamer *Virginius* and the execution of her captain and crew. The *Virginius* was a merchant-vessel sailing under the American flag and registered in New York as an American-owned vessel. However, her cargoes consisted principally of contraband of war destined for Cuba; and for several years she had been successful in landing them, despite the vigilance of the Spanish cruisers. On October 23, 1873, she cleared from Kingston, Jamaica, for Puerto Limón, Costa Rica, though her actual intention was to land men and arms in Cuba. On October 31 she was captured on the high seas by a Spanish cruiser and taken into Santiago de Cuba. The Spanish commandant, General Burriel, summoned a courtmartial, and within a week's time fifty-three of the passengers and crew were summarily condemned and shot,

[35] *Ibid.*, p 20. Bayamo itself was burned to the ground and its inhabitants dispersed or slaughtered.

[36] *Ibid.*, p. 21.

[37] *House Ex. Doc. No. 160*, 41st Cong., 2nd Sess., pp. 13-16.

despite strong protests upon the part of the American and British consuls. Such a performance was not merely "a dreadful, a savage act," but it was directly contrary to international law, because the vessel was a neutral lawfully provided with papers; even if she were engaged in blockade-running or in carrying contraband, the maximum penalty should have been confiscation of the ship and cargo.

General Sickles, the American minister at Madrid, was instructed to demand the restoration of the *Virginius* with the survivors, a salute to the flag of the United States, and punishment of the guilty officials. At first Spain seemed inclined to support the United States in its stand, but later Castilian pride came to the front, and a curt and most unsatisfactory reply was returned. Spain could not consent to be thus addressed by the representatives of a foreign nation, and if reparations were to be made it would be only after a thorough investigation had been carried out by her representatives.[88] Recriminations became mutual, and it was only after General Sickles had asked for his passports that Spain agreed to consider the American demands. Owing either to the uncompromising attitude of General Sickles, or to the Spanish government's fear of a popular uprising, the negotiations were transferred to Washington. A protocol was finally reached, whereby Spain agreed to restore the *Virginius,* together with the surviving passengers and crew, and to salute the flag of the United States, unless she could prove before December 25, 1873, that the *Virginius* was not entitled to carry the American flag. The Madrid government actually succeeded in furnishing proof that the vessel was both owned and controlled by Cubans; therefore the salute was waived. The vessel and survivors were turned over to the United States. But on its way north, under convoy, the ship foundered off Cape Hatteras. Spain also admitted the illegality of the capture and the summary execution of the crew, and finally paid an indemnity of $80,000 to the families of those executed. But the Spanish commandant guilty of the execution

[88] The complete diplomatic correspondence regarding this incident may be found in the *Foreign Relations of the United States,* 1874, pp. 922-1117; *ibid.,* 1875, Part II, pp. 1144-1256.

not only escaped punishment, but was later promoted to a higher grade.[39]

Meanwhile the Cuban insurrection dragged along, and the United States continued to look for means of putting an end to the devastating struggle. The whole situation, as far as the United States was concerned, was summed up in a long, carefully worded despatch from Secretary Fish to Caleb Cushing, the new American representative at Madrid, on November 5, 1875. In this state paper Mr. Fish enumerated the cases of arbitrary seizure, confiscation of American property, and arrest and execution of American citizens without trial, and protested vigorously against the continuance of a struggle on the very borders of the United States, disturbing to its tranquillity and commerce and conducted in a most barbarous fashion. "It will be apparent that such a state of things cannot continue. . . . In the opinion of the President, the time has arrived when the interests of this country, the preservation of its commerce, and the instincts of humanity alike demand that some speedy and satisfactory ending be made of the strife that is devastating Cuba. . . . The President hopes that Spain may spontaneously adopt measures looking to a reconciliation and to the speedy restoration of peace and the organization of a stable and satisfactory system of government in the island of Cuba. In the absence of any prospect of a termination of war or of any change in the manner in which it has been conducted on either side, he feels that the time is at hand when it may be the duty of other governments to intervene, solely with a view of bringing to an end a disastrous conflict, and of restoring peace in the island of Cuba." [40]

A copy of this note was sent to the American representatives in Europe, and when its contents became known it provoked considerable discussion, which was increased by President Grant's message of December 7, 1875. Great Britain, whose coöperation was particularly desired, decided, in the words of Lord Derby, that "if nothing were contemplated beyond an amicable interposition hav-

[39] For the trial of General Burriel see *ibid*, 1876, pp. 486-535.

[40] *Report of Senate Committee on Foreign Relations Relative to Affairs in Cuba, No. 885*, 55th Cong., 2nd Sess., pp. 44-52.

ing peace for its object, the time was ill chosen and the move premature." [41] The other powers were no more willing to intervene than Great Britain, particularly at a time when the young Alfonso was struggling manfully against the revolution of Don Carlos. Owing to the superlative ability of Mr. Cushing and the high esteem in which he was held, Mr. Fish's communication was received by Spain in the friendly spirit in which it was sent, and in his reply Señor Calderon, the Spanish Foreign Minister, emphasized the recent satisfactory progress in putting down the revolution, and promised the abolition of slavery and the introduction of administrative reforms leading to representation of the inhabitants in the Spanish Cortes. In conclusion, he asked for a frank statement concerning the precise things which the United States would wish Spain to do.[42]

After emphatically disclaiming any intention on the part of the government of the United States to annex Cuba, Mr. Fish summed up the President's desires under four heads: first, mutual and reciprocal observance of the treaty obligations, with a friendly interpretation of the doubtful provisions, second, the establishment of peace, order, and a liberal government in Cuba; third, gradual but effectual emancipation of the slaves; fourth, improvement of commercial facilities and the removal of the obstructions now existing in the way of trade and commerce.[43] Spain's acceptance of these proposals eliminated, for the time being, any further discussion of intervention. However, the Madrid government urged that before there could be any hope of improvement the revolution must be put down, and a new general and additional troops were forthwith despatched to the island. In October, 1877, a number of the Cuban leaders surrendered, and early in February, 1878, the Ten Years' War came to an end. The terms of peace gave promise of a real improvement in the situation of the Cubans. Yet the habits of centuries can not be broken up by the good intentions of a day. The Spanish system of exploitation had become part and parcel of the island's administration, and

[41] *Ibid.*, p. 162.
[42] *Ibid.*, pp. 96-99.
[43] *Ibid*, pp. 102-106.

Spanish officials were still employed to look out for Spanish interests. But two results of the revolution were manifest to the world: the seed of independence had taken firm root in the island of Cuba, and the United States could not remain an impartial witness to any attempts to prevent its growth.

As a result of the Ten Years' War, there was some improvement in the attitude of Spain towards Cuba, but little change in the actual conditions. The island was granted representation in the Spanish Cortes, but, owing to the limited suffrage, the majority of the delegates represented the Peninsulares, or Spanish element. Even when, in 1892, the tax qualification for the suffrage was reduced from twenty-five dollars to five dollars, the Spanish authorities who controlled the elections saw to it that the results were virtually the same. Seventeen years of comparative peace followed; yet it was the apathy of exhaustion rather than the tranquillity of satisfied hopes. In fact, the promises held out by the Spanish government were never realized. The sole noteworthy reform was the gradual abolition of slavery. In summing up the situation, Estrada Palma declared that the parliamentary representation was illusory, all officials of the island were Spaniards, taxes were levied upon everything conceivable, and about 95 per cent of the amount collected was devoted to the maintenance of the army and navy in Cuba, to the interest on the public debt, and to the salaries of the Spanish officeholders. The Cubans had no security of person or property; nor was there freedom of speech, press, or religion.[44]

These were the underlying causes of the outbreak of the revolution in 1895. The passage of the Abarzuza law in February, 1895, by the Spanish Cortes, creating a farcical council of administration, seemed to bring matters to a head.[45] The economic crisis engendered by the termination of reciprocity relations with the United States in 1894, thus closing Cuba's principal market for sugar, undoubtedly aided materially in strengthening the discontent. After the tragic death of the patriot, José Martí, in the beginning of

[44] *Sen. Rep. No. 885*, 55th Cong., 2nd Sess., pp. 1 *ff.*

[45] Hannis Taylor, "A Review of the Cuban Question," *North Amer. Rev.*, Vol. CLXV (Nov., 1897), pp. 610-635.

the insurrection, the revolutionists were under the general command of Máximo Gómez, and they were financially supported by the juntas organized in the United States. The revolution spread rapidly, and from the outset the insurgents ruthlessly destroyed all property and plantations that might be useful to the enemy. Spain spared no effort to check the revolution, and when Governor-General Campos failed to put down the insurgents, General Weyler was placed in command. The struggle on the Cubans' part soon degenerated into guerrilla warfare. They gave notice that they would destroy all the resources of the island rather than surrender. General Weyler retaliated by forcing all the inhabitants of certain provinces to concentrate in the towns held by the Spanish troops or be considered rebels.[46] Great numbers of non-combatants were thus brought together, and, as no provision for feeding and housing them had been made, the brutal nature of the decree was soon apparent. The innocent women and children were forced to starve in the towns, while the able-bodied men remained at large and joined revolutionary bands.

On June 12, 1895, President Cleveland issued a proclamation recognizing that a state of insurgency existed in Cuba, and insisting upon the maintenance of American neutrality.[47] However, as the horrors of the struggle increased and the American press took up the campaign in Cuba's behalf, Congress also was drawn into the affair, and early in 1896 a resolution passed both houses urging that the President recognize Cuban belligerency. This, Cleveland refused to do. But public opinion steadily grew more hostile towards Spain; and the destruction of American property on the island, together with the great falling off of American trade, added fuel to the flames. Although the President refused to recognize Cuban belligerency, he authorized Secretary Olney to give the Spanish ambassador some words of admonition. In this way, Spain was given to understand that the United States could not contemplate with complacency another ten years of Cuban insurrection; and the good offices of the United States were tendered, with all assurance that the offer was prompted only by the friend-

[46] Text of decree in *Sen. Rep. No. 885*, p. 549.
[47] *Foreign Relations of the United States*, 1895, p. 1195.

liest feeling towards Spain. "The United States," it was specifically asserted, "has no designs upon Cuba and no design against the sovereignty of Spain." [48] The Spanish reply was a courteous refusal of the offer, and the United States was forced to let the matter drop temporarily, although, in his message to Congress in December of the same year, Cleveland declared that future American action would be determined when Spain's inability to deal successfully with the insurrection had become manifest, and that, although American conduct would be guarded by right and not by might, a situation might be presented in which our obligations to the sovereignty of Spain would be superseded by higher obligations.[49]

Hardly had the McKinley administration assumed office before it was compelled to take action; for the situation was growing steadily worse. In May, 1897, the President asked Congress to appropriate $50,000 for the relief of destitute Americans in Cuba, and in December he issued a public appeal for funds to aid in combating the Cuban famine. A slight gleam of hope for better conditions appeared when the new Sagasta ministry recalled General Weyler and promised Cuba a new constitution, with a local parliament and a fair share of autonomy. In his annual message of December, 1897, McKinley noted the new policy of Spain, and declared that it was honestly due to Spain that she should be given a reasonable chance to realize her expectations. Unfortunately for Spain, her policy of reform was given no opportunity to materialize. General Blanco could not undo the terrible results of the reconcentration policy of General Weyler, although he made very earnest efforts to do so. Not only were the insurgents wholly averse to acceptance of semi-autonomy in the place of independence, but the Spanish party in Cuba was equally indignant at the liberality of the new program. Rioting against the newspapers backing autonomy became so serious that on January 13, 1898, the American consul-general, Mr. Lee, telegraphed that he was uncertain whether Blanco could control the situation, and that if it should be demonstrated that Americans were in danger,

[48] *Ibid.*, 1897, p. 540.
[49] *Ibid.*, 1896, p xxix.

ships should be promptly sent.[50] The next day all was quiet; but the idea of sending a war-ship struck root, and on January 24 the President ordered the *Maine* sent to Havana on a "friendly visit." The American consul-general realized that the times were not propitious for a friendly visit and advised that the step be postponed six or seven days. But the battle-ship was already on its way, and on January 25 it anchored in Havana harbor.

The struggle between the Cuban insurgents and the Spaniards was soon to be merged in a direct conflict between Spain and the United States. On February 9, 1898, a New York newspaper published a private letter written by Señor Dupuy de Lome, the Spanish minister, to a friend in Cuba, in which he characterized President McKinley as a "weak . . . would-be politician who tries to leave a door open behind himself while keeping on good terms with the jingoes of his party." [51] Although it was a questionable piece of journalism to publish a letter of this character that had been purloined from the mails, the Spanish minister showed an inexcusable lack of diplomatic discretion in expressing his opinions so frankly. The United States immediately demanded his recall—although not until after the discredited diplomat, realizing that his position had become untenable at Washington, had sent in his resignation. But public opinion, already aroused against Spain through her dilatory attitude in ameliorating the condition of Cuba, became increasingly hostile. And, as if other circumstances were not sufficiently irritating in the relations between the two countries, on the night of February 15 the *Maine* was blown up at its anchorage in Havana harbor, with the loss of two hundred and sixty men, including two officers. A wave of indignation swept over the United States, and the demand for war was virtually unanimous. The few who counseled delay until a court of inquiry could fix the blame were scarcely heard in the popular clamor. Fortunately, democratic governments are so constituted that they function slowly; and the utter unpreparedness

[50] *Ibid.*, 1898, p. 1025.

[51] For the full content of the letter see J. B. Moore, *op. cit.*, Vol. VI, pp. 176-177.

of the United States for war was an added incentive to move with deliberation.

An American court of inquiry was immediately constituted to determine the cause of the disaster. After twenty-three days of careful investigation it reported that the *Maine* was destroyed by a submarine mine, but that no evidence could be obtained sufficient to fix the responsibility upon any person or persons. A Spanish board of inquiry, making a separate investigation, reported that the explosion was due to internal causes.[52] The real cause will probably never be known.[53]

Even before the publication of the report on March 28, there was every indication that, no matter what the findings might be, the United States and Spain had reached an *impasse* in regard to Cuba. Spain found Consul-General Lee in sympathy with the insurgents and suggested his recall. The United States rejected the suggestion. Buoyed up by the virtual certainty of American intervention the Cubans would accept nothing less than independence. Proposals for the purchase of the island by the United States were tentatively raised in both Spain and the United States; but neither party was anxious for such a solution. From the American point of view, the one condition upon which a peaceful adjustment was possible was an immediate armistice to be granted by Spain to the Cubans. Instructions from Washington to General Woodford, the American minister at Madrid, declared, under date of March 26, that the President desired peace, but that there was no hope for peace through the Spanish arms. The United States did not want the island, but wanted peace to prevail in it. The suggestion was made that if Spain would revoke the reconcentration order and maintain the people until they could support themselves, and also offer the Cubans full self-government, with reasonable indemnity, the President would gladly assist in the consummation of the plan.[54] On the following day the same proposals

[52] For the American report see *Sen Doc. No. 207,* 55th Cong., 2nd Sess. The Spanish report is in *Sen. Rep. 885,* 55th Cong., 2nd Sess., pp. 566 *ff.*

[53] A later investigation upon the raising of the *Maine* in 1911 strengthened the view that an outside explosion caused the sinking: *Report of the U. S. Naval Board in 1911, House Doc. 310,* 63d Cong., 2nd Sess.

[54] *Foreign Relations of the United States,* 1898, p. 704.

were renewed, in somewhat more specific form, asking (1) an armistice for six months, during which negotiations for peace between Spain and the insurgents might be undertaken through the friendly offices of the United States; (2) immediate revocation of the *reconcentrado* order; (3) agreement that, if peace were not arranged by October 1, the President of the United States should be accepted as final arbitrator between Spain and the insurgents.[55] The report on the *Maine* made to Congress, March 28, was bound to bring speedy action. Therefore, if the President was to succeed in obtaining a peaceful settlement, Spain must give him an immediate assurance that his offer was accepted.

Madrid's reply, on March 31, was not satisfactory, in that, instead of granting an immediate armistice, its offer conditioned a truce upon the insurgents asking for it, a proposal that they were most unlikely to make. On April 5, through the intervention of the Pope, the Queen, indeed, conceded an unconditional suspension of hostilities for six months, thus meeting the President's demand. But the latter had already prepared his message and had decided to place the responsibility for future action upon Congress. Undoubtedly he realized that to surrender control of the situation meant war. But who can say that, even if he had accepted the eleventh-hour promise of Spain, war would ultimately have been averted? Perhaps a Roosevelt or a Wilson could have dominated Congress; but there still remained the question of Spain's ability to placate the Cubans.

In his message delivered to Congress on April 11, 1898, President McKinley reviewed the situation in a judicial manner, describing conditions in the island and recounting the offers of mediation made by the United States. Since this method of settlement had failed, only forcible intervention was left, and he justified this course of action upon four grounds: first, in the cause of humanity, i.e., it would put an end to the bloodshed and misery at our door; second, it would protect American citizens and their property in Cuba; third, it would put an end to the wanton destruction and devastation of the island; fourth, and most important, "the present condition of affairs in Cuba is a constant menace to

[55] *Ibid.*, p. 712.

our peace." The destruction of the *Maine* was mentioned merely as impressive proof of the intolerable state of things in the island.[56]

Congress was only too willing to grant the President the powers that he asked for. After stormy debates in both houses, a joint resolution was passed, recognizing the independence of Cuba, demanding the immediate withdrawal of the Spanish forces from the island, granting the President power to use the entire land and naval forces to carry the resolution into effect, and, finally, disclaiming any intention on the part of the United States to exercise sovereignty over the island except to establish peace, and, that accomplished, to leave the government and control of the island to its people.[57]

As soon as the President signed the resolution, the Spanish minister at Washington asked for his passports, and his action was approved by the Spanish Foreign Minister. On April 25, 1898, Congress passed the declaration of war, dating the outbreak as of April 21. Admiral Sampson had already received orders to blockade Cuba with the South Atlantic Squadron, and Commodore Dewey had left Hong-Kong to engage the Spanish squadron at Manila. Foreseeing the outcome, the Navy Department had more than a month earlier ordered the battle-ship *Oregon*, lying at Puget Sound, to join the Atlantic Squadron. Her 15,000-mile journey around Cape Horn dramatically demonstrated to the United States the need strategically of an isthmian canal.

Both sides realized that the issue lay upon the sea; and it was fortunate for the United States that such was the case. But there is no necessity to tell the story of the conflict here. Dewey's overwhelming victory at Manila Bay, followed by the complete destruction of Cervera's fleet at Santiago, virtually sealed the defeat of Spain. The mechanistic era of warfare had come, and America had made the greater progress. "Spanish dominion in America, in which there had been much both of glory and of shame, with splendid episodes of heroic endeavor, noble self-abnegation, and great attainment, was to end in the final sacrifice, nobly met, on

[56] J. D. Richardson, *Messages and Papers of the Presidents*, Vol. X, p. 147; or *Foreign Relations of the United States*, 1898, p. 750.

[57] *U. S. Stat. at Large*, Vol. XXX, p. 738

the sea which through generations witnessed so many conflicts of the two races." [58]

On July 22, 1898, through M. Jules Cambon, the French ambassador at Washington, Spain asked of the President upon what basis the conflict could be ended and a satisfactory political status in Cuba established. President McKinley outlined his terms, which were later incorporated in the protocol of August 12. In brief, the agreement provided (1) the relinquishment by Spain of all sovereignty over Cuba; (2) the cession of Porto Rico and other Spanish West Indies, together with an island in the Ladrones, to the United States; (3) the occupation by the United States of Manila pending the signing of a treaty of peace which should determine the disposition of the Philippines; (4) the immediate evacuation by Spain of Cuba, Porto Rico, and the other islands of the West Indies under her sovereignty; (5) the appointment by Spain and the United States of not more than five commissioners each, to meet in Paris not later than October 1, 1898, to negotiate a treaty of peace; (6) the suspension of hostilities upon the signing of the protocol.[59]

In the peace negotiations which followed, Spain made every effort to turn over the Cuban debt, either to the Cubans or to the United States, along with the sovereignty of the island. But the American commissioners stood fast against the proposal, on the ground that the debt was created by Spain for its own purposes and through its own agents and not for the benefit of Cuba. The treaty signed December 10, 1898, was almost identical with the terms of the protocol, except for the clauses regarding the Philippines.[60] The United States at last had the opportunity to pacify Cuba and then withdraw as it had promised—a quixotic proceeding most highly incredible to a skeptic world.

[58] F. E. Chadwick, *op. cit.*, p. 587.
[59] *Foreign Relations of the United States, 1898*, p. 828.
[60] *Ibid.*, p. 831.

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CHAPTER IX

THE INDEPENDENCE OF CUBA

THE official transfer of the island took place January 1, 1899, and thereupon the trusteeship of the United States began The task assumed was truly stupendous. Disease and starvation were prevalent; civil government had disappeared; even the public buildings were unfit for occupancy. Major-General John R. Brooke, the first military governor, began a general program of rehabilitation, including the distribution of more than 5,000,000 rations, the supplying of medicine, the reorganization of civil government, particularly in the cities—all with the avowed purpose, as announced in a proclamation of January 1, 1899, "to give protection to the people, security to persons and property, to restore confidence, to build up waste plantations, to resume commercial traffic, and to afford full protection in the exercise of all civil and religious rights."[1] Major-General Leonard Wood took over the work in 1899, and in his three years as governor-general made a record of administrative efficiency which still sheds luster upon his name.[2] Undoubtedly his methods were at times autocratic, and necessarily he made some enemies; but when, on May 20, 1902, the government was transferred to the duly elected president and congress of Cuba, with a system of civil government established and successfully functioning, with a public-school system completely reorganized, with sanitary conditions thoroughly regulated and controlled, and with the plague of yellow fever virtually stamped out, well might President Palma declare to the retiring governor-general, in accepting the transfer: "I take this solemn occasion, which marks the fulfilment of the honored prom-

[1] *House Document No 2*, 56th Cong, 1st Sess., p. 7.

[2] Even as harsh a critic as Carleton Beals concedes that "our first intervention in Cuba stands as a model of fine trusteeship," *The Crime of Cuba* (New York, 1934), p. 172. Elihu Root declared that Wood had done "one of the most conspicuous pieces of work ever done by an American." Philip C. Jessup, *Elihu Root* (New York, 1938), Vol. I, p. 287.

ise of the government and people of the United States in regard to the island of Cuba, and in which our country is made a ruling nation, to express to you, the worthy representative of that grand people, the immense gratitude which the people feel towards the American nation, towards its illustrious President, Theodore Roosevelt, and towards you for the efforts you have put forth for the successful accomplishment of such an ideal." [3]

From the outset of the intervention, the United States had not forgotten that by the terms of the joint resolution of April 20, 1898, the government and control of the island were to be left to its people as soon as pacification was accomplished. As an evidence of good faith, on July 25, 1900, the military governor ordered that a general election be held on September 15 to put into effect the following program: (1) to elect delegates to a convention to frame and adopt a constitution; (2) as a part thereof, to provide for and agree with the government of the United States upon the relations to exist between Cuba and the United States; and (3) to provide for the election by the people of officers under this constitution and the transfer of the government to these officers.[4] As an indication of what the United States considered essential under the second heading, on February 9, 1901, while the convention was in session, instructions were sent to Major-General Wood by the Secretary of War, Mr. Root, outlining the following provisions: (1) no government organized under the constitution should make any treaty impairing the independence of Cuba or grant any right to any foreign power without the consent of the United States; (2) no such government should contract any debt in excess of the capacity of the ordinary revenues to pay the interest; (3) the government should consent that the United States reserve the right of intervention in order to preserve independence and a stable government; (4) the acts of the military government should be validated and maintained; and (5) the United

[3] *House Doc. No 2*, 57th Cong., 2nd Sess., p. 124.

[4] For text of the order see *Foreign Relations of the United States*, 1902, p. 358.

States should be given the right to acquire and maintain a naval station.[5]

While appreciating the decisive help rendered by the United States, and grateful for it, the delegates to the convention would not concede the right of the United States to impose conditions clearly violating that independence which it had guaranteed to maintain. They realized that the United States had some claims to special consideration, and they made counter-proposals to this effect.[6] But undoubtedly they also feared too close a relationship with a powerful neighbor whose appetite had just been whetted by conquest. *L'appétit vient en mangeant,* and Cuba was a particularly toothsome morsel. Therefore the convention drew up a constitution which completely ignored the question of relations between the two countries. However, Senator Platt, chairman of the Senate Committee on Relations with Cuba, while conceding that Cuba was privileged to establish her own government without let or hindrance, held that the United States, by virtue of its intervention, had certain rights in the island which ought to be safeguarded. The result was the Platt Amendment to the Army Appropriation Bill, which passed both houses and received the President's signature.[7] The terms of this amendment have become such an important factor in the relations between the two countries that the most salient clauses deserve quotation in full:

"(1) That the Government of Cuba shall never enter into any treaty or other compact with any foreign Power or Powers which will impair or tend to impair the independence of Cuba, nor in any manner authorize or permit any foreign Power or Powers to obtain by colonization or for military or naval purposes, or otherwise, lodgment in or control over any portion of said Island.

"(2) That said Government shall not assume or contract any public debt to pay the interest upon which, and to make reasonable sinking-fund provision for discharge of which, the ordinary revenues of the Island, after defraying the current expenses of the Government, shall be inadequate.

"(3) That the Government of Cuba consents that the United States

[5] *House Doc. No. 2,* 57th Cong., 1st Sess., pp. 43-47.

[6] *Foreign Relations of the United States,* 1902, p 360.

[7] Secretary of War Root prepared the original draft; see Jessup, *op. cit.,* Vol. I, p. 310.

may exercise the right to intervene for the preservation of Cuban independence, the maintenance of a government adequate for the protection of life, property, and individual liberty, and for discharging the obligations with respect to Cuba imposed by the Treaty of Paris on the United States, now to be assumed and undertaken by the Government of Cuba.

"(4) That all acts of the United States in Cuba during its military occupation thereof are ratified and validated, and all lawful right acquired thereunder shall be maintained and protected.

"(5) That the Government of Cuba will execute, and as far as necessary extend, the plans already devised or other plans to be mutually agreed upon, for the sanitation of the cities of the Island to the end that a recurrence of epidemic and infectious diseases may be prevented, thereby assuring protection to the people and commerce of Cuba, as well as to the commerce of the Southern ports of the United States and the people residing therein.

"(6) That the Isle of Pines shall be omitted from the proposed constitutional boundaries of Cuba, the title thereto left to future adjustments by treaty.

"(7) That to enable the United States to maintain the independence of Cuba, and to protect the people thereof, as well as for its own defense, the Government of Cuba will sell or lease to the United States lands necessary for coaling or naval stations at certain specified points, to be agreed upon with the President of the United States

"(8) That by way of further assurance the Government of Cuba will embody the foregoing provisions in a permanent treaty with the United States" [8]

Needless to say, this benevolent protectorate thrust in so unceremonious a fashion upon the Cubans was welcomed neither by the convention nor by the people. A delegation of five members of the convention was sent to Washington to protest. But, although they were received in a most friendly fashion by President McKinley and Secretary Root, they were given to understand that the Platt Amendment could not be modified. After considerable discussion, the convention finally accepted the Platt Amendment

[8] *U S Statutes at Large,* Vol XXXI, p. 897, or *House Doc. No. 2,* 57th Cong., 1st Sess., p. 47. The treaty embodying these provisions was ratified July 1, 1904; see *Foreign Relations of the United States,* 1904, p. 243. Naval stations were at first leased at Bahía Honda and Guantánamo, but since 1912 only the latter has been retained. Political pressure exerted by American landowners on the Isle of Pines delayed until 1925 the ratification of the Hay-Quesada Treaty of 1904 relinquishing all American claim to the Isle.

on June 12, 1901, and it became an appendix to the constitution.[9] The assurance of Secretary Root that intervention was not synonymous with intermeddling or interference with the Cuban government, but a formal action based upon just grounds for the preservation of Cuban independence or the maintenance of an adequate government, gave the Cubans somewhat more confidence in the attitude of this country.[10]

As provided for by the constitution, the elections were held in December of the same year. Tomás Estrada Palma was elected president, and on May 20, 1902, Governor-General Wood turned over the government of the island to him. With a cash balance of more than $600,000 in her treasury, with her independence guaranteed, and assured of the good wishes of the government and the people of the United States, Cuba was ushered into the family of nations.[11]

The United States had given the insular republic an excellent start, but there remained the problem of the country's economic rehabilitation. This was dependent principally upon the immediate recovery of two industries, sugar and tobacco, and in the case of sugar it was vitally necessary that the United States make a reduction in her tariff. General Wood, Secretary Root, and President Roosevelt recognized the need, and the President, in his message to Congress, December 3, 1901, declared that "in the case of Cuba, however, there are weighty reasons of morality and national interest why the policy [of reciprocity] should be held to have a peculiar application, and I most earnestly ask your attention to the wisdom, indeed to the vital need, of providing for a substantial reduction in the tariff duties on Cuban imports into the United States."[12] Congress, however, seemed more inclined to listen to the selfish arguments of the beet-sugar growers' lobby, and not until two years later did President Roosevelt force his

[9] For a full treatment of the Cuban attitude during this period see A. G. Robinson, *Cuba and the Intervention* (New York, 1905), pp. 207-277.

[10] *House Doc. No. 2*, 57th Cong., 2nd Sess., p. 48, text of the Cuban constitution, *ibid.*, p. 102.

[11] For an account of the turning over of the government see *House Doc. No. 2*, 57th Cong., 2nd Sess., pp. 69 *et seq.*

[12] *Ibid.*, 1901, p. xxxi.

reciprocity measure through. This commercial convention, proclaimed December 17, 1903, gave Cuba the advantage of a 20 per cent reduction on sugar, and on other products of the soil imported into the United States, over the tariff act of 1897 or any tariff law that might subsequently be enacted.[13] The advantage to Cuba was speedily shown. The trade of the United States with Cuba during the fiscal year 1905 (the first full year under the reciprocity treaty) showed an increase of approximately $10,000,000 worth of Cuban imports into the United States, namely, $86,304,259 in 1905 as against $76,983,418 in 1904.[14] The percentage of increase in our exports to Cuba was even greater, showing that fair commercial treatment of our island neighbor was a very profitable investment.

These early figures, however, gave no indication of the tremendous increase that was to come when Cuba should be completely rehabilitated. In 1910 the value of our imports from Cuba was $122,528,037, and our exports were valued at $52,858,758.[15] In 1920 our imports from Cuba amounted to the remarkable figure of $721,693,880, while our exports had incerased to $515,208,731—a total trade value of approximately $1,250,000,000, or almost one-tenth of our total world trade.[16] These figures were abnormal, however, owing to the excessive cost of sugar and the huge crop marketed, but the figures of 1925 show Cuba to have had the largest trade with the United States of all the Latin-American countries. In 1925 Cuba imported from the United States goods to the value of $185,617,496, while her exports to the United States amounted to $262,613,978 making a total value of $448,231,474, which was almost five per cent of our total world trade.[17]

The political relations between the two governments remained uneventful until 1906. The election of 1905 produced a bitter struggle between the Liberals and the Moderates, and President Palma, reëlected by the Moderates, was accused by the Liberals

[13] *Ibid.*, 1903, p. 375.
[14] *Foreign Commerce and Navigation of the United States*, 1905, p. 33.
[15] *Ibid.*, 1910, p. 30.
[16] *Ibid.*, 1920, p. x.
[17] Pan American Union, *Latin American Foreign Trade in 1925* (Washington, D. C., 1927).

of resorting to violence, intimidation, and bribery to retain his position. Early in 1906 an armed uprising against the government started in the provinces of Pinar del Río and Havana. On August 27 President Palma issued a proclamation granting amnesty to all insurgents who would lay down their arms,[18] but when this failed of its purpose he secretly requested the American consul-general at Havana to ask President Roosevelt to despatch two vessels at once, since the government forces were unable to quell the rebellion.[19] The American government was loath to intervene and pointed out the dangers of this course. But when President Palma threatened to resign, President Roosevelt sent the Secretary of War, Mr. Taft, and the Assistant Secretary of State, Mr. Bacon, to Havana to attempt to reconcile the difficulties.

Upon the arrival of the commissioners in Havana, September 19, 1906, they interviewed the leaders of the various factions, and finally urged as a solution that President Palma remain in office with a coalition cabinet, while the members of congress stand for reëlection. When the Moderates refused and the President insisted upon resigning, the commissioners established a provisional government under the authority of the President of the United States, and issued a proclamation to the Cuban people setting forth the causes for this action and defining afresh the position of the United States towards Cuba.[20]

On October 10, Governor Taft announced that active organized hostilities had ceased, and issued a proclamation of full and complete amnesty to all who had participated in the uprising. Three days later he turned the government over to Charles Magoon, who was, as events proved, to act as provisional governor for the next three years.

Although Governor Magoon has been subjected to almost scurrilous abuse by many Cuban writers, it is by no means justified by the facts. His policies may not always have been the wisest ones, but it must be remembered that for the most part he merely executed the orders emanating from the War Department. His meth-

[18] *Foreign Relations of the United States,* 1906, Part I, p. 459.
[19] *Ibid.,* p. 473.
[20] *Ibid.,* p. 489.

ods of administration may not have been as rigorous as could be desired, but there are but few administrators with the force and personality of a Governor Wood. Perhaps a more suitable appointment might have been made; nevertheless, Mr. Magoon was an outstanding authority on Cuban law, and had had successful administrative experience in the Canal Zone. And in spite of the many accusations of his loose handling of funds, no proof has ever been presented which reflects upon the inherent honesty of the man.[21]

One of the most useful acts of the provisional government was the taking of a complete census as the basis for the new electoral lists, and the returns showed the total population of Cuba in 1908 to be 2,048,980, an increase of 25 per cent as compared with the returns of the census of 1899. A new electoral law was promulgated on April 1, 1908, the provincial and municipal elections were held on August 1 in an orderly fashion, and the results were quietly accepted. The general elections were equally peaceful, and the Liberal candidate, General José Miguel Gómez, defeated the Conservative candidate, General Mario Menocal, by a majority of more than 70,000 votes. The provisional government thereupon convoked congress, and President Gómez was inaugurated, on January 28, 1909, at which time Governor Magoon relinquished the administration to the duly elected representatives of the Cuban people. A number of much-needed public improvements, particularly in the matter of sanitation, had been carried out; necessary legislative decrees had been promulgated, among the most noteworthy being the new electoral law (decree 899 of 1908); and after paying all contracts and other obligations as far as practicable, $2,860,000 in cash was turned over to the new government.[22]

Once more the people of Cuba were put in full command of

[21] For a detailed study of the Magoon Administration, see D. A. Lockmiller, *Magoon in Cuba* (Chapel Hill, N. C., 1938).

[22] For an excellent summary of the period of the American occupation see *Republic of Cuba, Reports of Provisional Administration*, Vol. II (Havana, 1908-09). For more critical surveys see Leland H. Jenks, *Our Cuban Colony* (New York, 1928), Chap. VI, and Russell H. Fitzgibbon, *Cuba and the United States* (Menasha, Wis., 1935), Chap. V.

their ship of state, with the best wishes of the United States for a long and prosperous voyage. General Gómez proved himself a strong-minded leader, and he appeased the more restless spirits by appointing them to political office, thus materially strengthening his position. However, before his term of office expired, serious charges of corruption were brought against his government. It was claimed that the public offices were being sold to the highest bidder, that concession-hunters were finding lucrative opportunities at the people's expense, and that the government was even going so far as to buy off the newspapers to avoid unpleasant publicity. The government was also threatened by the veterans of the war of independence, who proscribed all office-holders of Spanish sympathies and forced the suspension of the civil service rules. Fearing that with the elections approaching the disorder might get beyond control, the American Secretary of State, Mr. Knox, sent a warning to the Cuban government, early in 1912, that intervention might be forced upon the United States if the disorders were allowed to develop.[23] For a time, the warning had a tranquillizing effect. But when, in the summer, a negro revolt broke out in the eastern end of the island, the United States felt it necessary to land marines and to concentrate a number of naval vessels at Key West. The government now rose to the occasion and put down the revolt, and the American troops were forthwith withdrawn.

President Gómez had agreed not to stand for reëlection, and the two leading candidates were Vice-President Zayas, the principal Liberal candidate, and General Menocal, the choice of the Conservatives. The election proved to be unexpectedly peaceful, and, owing to the split in the Liberal ranks, General Menocal was elected. The new president was a native Cuban and a veteran of the war with Spain. A civil engineer by profession (he had studied at Cornell University), he was, at the time of his election, the managing director of the Cuban American Sugar Company. He had already shown remarkable administrative ability and was reputed to be one of the wealthiest planters on the island. Financially disinterested, he made a valiant effort to eliminate graft in the

[23] *Foreign Relations of the United States*, 1912, p. 240.

administration, and under his leadership the island made substantial economic progress. Imports, valued at approximately $120,000,000 in 1912, rose to over $200,000,000 in 1916; while exports increased from $146,000,000 to $336,000,000. During his administration the production of sugar increased from 1,750,000 tons to more than 3,000,000 tons.

Notwithstanding the excellent results of his administration, Menocal was strongly opposed when he sought reëlection in 1916. The Liberal factions united on Dr. Zayas, and the results were so close that both sides claimed the victory. In certain cases second elections were ordered; but the Liberals, with ex-President Gómez as their leader, revolted before they were held. On February 10, 1917, Secretary Lansing appealed to the Cubans not to plunge the country into civil war,[24] and on February 13 he warned them that the United States would not recognize any government set up by violence.[25] The rebels, however, refused to lay down their arms, and early in March American marines were landed. At the same time the American government promised its aid to the Cuban government to reëstablish order and put down the rebellion. The revolution subsided as quickly as it had flared up, and in May, 1917, President Menocal again took the oath of office.[26]

Despite the fact that Cuba now entered the World War as the ally of the United States, the second Menocal administration began even more successfully than the first. In fact, by depriving the world of German beet-sugar the war stimulated to an extraordinary degree the production of Cuban cane-sugar. The crop for 1918 amounted to somewhat more than 4,000,000 tons, or about a million tons increase over the production for the preceding year, while the 1919 crop was even greater. As an indication of the tremendous wave of prosperity that had suddenly engulfed the island, President Menocal, in an interview with an American press correspondent in December, 1919, pointed out that the volume of

[24] *New York Times,* Feb. 13, 1917. See also Raimundo Cabrera, *Mis malos tiempos* (Habana, 1920), pp. 116-117.

[25] *New York Times,* Feb. 15, 1917. Cabrera, *op. cit.,* p. 124.

[26] For a sprightly account of the American intervention see the article by George Marvin, "Keeping Cuba Libre," *World's Work,* Vol XXXIV (Sept., 1917), pp. 553-567.

deposits in banks and savings institutions had increased 1,000 per cent in the preceding six years, land values had increased 500 per cent, and the volume of foreign commerce for 1919 would pass the billion-dollar mark.[27] Unfortunately, these values were considerably inflated, and towards the close of 1920, when the whole world began to experience the troubles of financial readjustment, the situation became very critical. A moratorium declared in October, 1920, was extended to June 15, 1921. A foreign loan seemed essential, and at the request of the Cuban government the State Department of the United States sent a financial adviser to consider the possibilities of a loan by American bankers. When this solution failed, a bill was put through the insular congress providing for a sliding scale of liquidation of obligations, and this measure went into effect on February 1, 1921.

For several reasons, the elections of 1920 were particularly important. They were to be held under the 1919 census and the electoral laws as newly revised by General Crowder; President Menocal was ineligible for a third term and had promised that the elections would be conducted with absolute impartiality; and General Gómez, the former Liberal leader, was now opposed by Dr. Zayas, whom he had supported against Menocal. When the results came in, Dr. Zayas was found to be elected by a considerable majority. But the Gómez faction, alleging fraud and intimidation, refused to accept the results. General Crowder was again sent for, and finally he persuaded the opponents to abide by secondary elections in the districts where fraud was charged. These were held on March 15, 1921, and, as the Gómez adherents remained away, Zayas was again declared elected. The Liberals made a final protest through the abstention of their representatives when Congress convened on April 3. At the same time, General Gómez appealed personally to President Harding to set up a provisional government. But when the United States formally recognized Dr. Zayas as the duly elected president, General Gómez gave up the contest.

Owing to the government's economic difficulties, General

[27] L. J. de Bekker, "Cuba and Her President," *The Nation*, Vol. CX (Feb. 21, 1920), p. 230.

Crowder remained in Havana to investigate the financial situation and if possible to suggest reforms. The Cuban government was anxious to float a $50,000,000 loan in the United States, but as this was impossible under the Platt Amendment unless the revenue were sufficient to meet amortization and interest, a new tax measure had to be passed and the approval of Washington obtained. At the request of the Cuban government, Albert Rattibone, former Assistant Secretary of the Treasury, was sent by the State Department to act as financial adviser to consider possibilities of a loan by American banking interests.

An investigation showed that the second Menocal administration had been extremely wasteful of public funds; many illegal contracts had been awarded, some at exorbitant rates, piling up obligations far in excess of the government's ability to pay.[28] It was essential that a program of domestic economies be instituted immediately, with a strong and honest administration to put it into effect. General Crowder persuaded President Zayas to appoint a new cabinet, which was henceforth known as the Honest Cabinet. This cabinet, formed on June 16, 1922, included Dr. Céspedes, former Cuban minister to Washington, Colonel Despaigne, administrator of customs under Palma, and Captain Pokorny, a graduate of West Point and aid to General Crowder.

A program of reform covering a revision of contracts, a drastic curtailment of expenditures, and the elimination of graft as far as possible was immediately instituted.[29] On September 15, 1922, a law was passed for the establishment of a commission for the examination and audit of the Cuban debt. The commission was organized in November and all claims had to be filed by the following March. Some 25,471 claims were filed, totaling $45,150,673.57.[30] The budget was set at about $55,000,000 and a loan of $50,000,000 agreed upon at 5½ per cent.[31] This was bought by

[28] C E Chapman, *A History of the Cuban Republic* (New York, 1927), p. 426.
[29] *Ibid.*, pp. 427-439.
[30] *U. S. Commerce Reports*, Aug. 6, 1923, p. 383.
[31] Text of Cuban law authorizing loan in *Commercial and Financial Chronicle*, Nov. 11, 1922, for its application see *U S Commerce Reports*, Feb. 12, 1923, p. 453

J. P. Morgan & Co. at 96.77, which was a very small discount considering the general financial condition.

The financial situation now cleared rapidly. The fiscal year 1922-23 closed with a surplus of income over expenditures of approximately $12,000,000, the bulk of which was appropriated to the retirement of the Cuban public debt. Among other debts paid was the war loan made to Cuba by the United States, thus giving Cuba the credit of being the first government to make a full settlement with the United States of the obligations contracted during the war,[32] an achievement largely due to General Crowder.

Unfortunately the Zayas administration soon wearied of being so completely divorced from the fleshpots, and early in April, 1923, the President dismissed four of his reform cabinet, including the Secretary of the Treasury and the Secretary of Public Works. General Crowder, whose post, in January, 1923, had been changed from special agent to ambassador, was no longer able to exert the same pressure for economy. As one investigator frankly stated it: "President Zayas threw off the 'vicious intermeddling of Washington,' placed fourteen members of his family in strategic positions in the administration, and his forces thus distributed laid siege to the public treasury." [33]

The scandal became so great that in August, 1923, an organization known as the Veterans and Patriots Association was founded, to combat the evils connected with the administration of the lottery and the passage of the notorious Tarafa bill for the consolidation of the railways, a piece of legislation which closed practically all the private ports and compelled sugar companies to utilize only the public service railways. When Ambassador Crowder protested against the reorganization of the lottery in such a way as to increase rather than to diminish the graft, the Cuban Congress passed a joint resolution condemning interference on the part of the United States.[34] Secretary Hughes thereupon called Ambassador Crowder back to Washington for a conference on the

[32] *U. S. Trade Information Bulletin*, No. 191 (Feb. 11, 1924)

[33] H. K. Norton, "Self Determination in the West Indies," *World's Work*, Vol. 51 (Nov., 1925), p. 81.

[34] See editorial in the *Outlook*, Vol. 134 (Aug 29, 1923), p 654

Cuban situation, but it soon became apparent that a hands off policy was decided upon.[35]

The Veterans and Patriots Association now decided to act, and its leader, General Garcia Velez, Cuban minister to London, proceeded secretly to New York, and on March 22, 1924, made a scathing denunciation of the Zayas administration.[36] He was forthwith dismissed from the diplomatic service and the newspaper organ of the Association was suppressed for publishing the accusations. The revolution which followed was a complete fiasco, due partly to poor leadership but also to the fact that President Coolidge immediately (May 2, 1924) issued a proclamation forbidding the sale of arms and ammunition to the revolutionists, while approving two days later the sale of war materials to the government.[37] Apparently the United States, while looking askance at corruption in the Cuban administration, was wholly opposed to a clean-up by revolution—a policy which could hardly be met with enthusiasm by either imperialists or moralists in the United States, although it seemed a satisfactory interpretation of the Platt Amendment to the majority of Cubans.

President Zayas apparently at length came to realize that he could hope for no further favors at the hands of the electorate, and although renominated by the Popular Party he withdrew in favor of General Gerardo Machado, the nominee of the Liberals. The latter was thus able to defeat the Conservative candidate, ex-President Menocal, by a substantial majority, and he was peacefully inaugurated on May 20, 1925.

President Machado began his administration possessing both the confidence and support of Washington and pledged to improve the economic situation of the island. He had solemnly declared that he would not stand for reëlection and had repeated the promise on July 26, 1927, about a month after his term had been prolonged for two years by his henchmen in the Cuban Congress.[38] Nevertheless, he did run again in 1928 and saw to it that

[35] C. E. Chapman, *op. cit.*, pp. 446-449.

[36] *New York Times,* March 23, 1924.

[37] *Ibid.,* May 3, 4, 1924.

[38] Raymond L. Buell, "Cuba and the Platt Amendment," *Foreign Policy Reports,* Vol. V, No. 3 (April 17, 1929), p. 39.

he was reëlected with practically no opposition and this time for a six years' term.

As early as 1927 sinister evidence was accumulating to the effect that Machado was crushing all opposition to his policies to the extent of imprisoning and assassinating his adversaries.[39] However, inasmuch as the Sixth Pan American Conference was to meet at Havana in January, 1928, the Cuban Ambassador in Washington made every effort to refute all such allegations and little attention was paid to them in the United States. However, on April 17, 1928, Senator Shipstead introduced a resolution charging the Machado administration with maintaining a dictatorship under which numerous assassinations, imprisonments and deportations had taken place, the National University had been closed, and private property of Cubans and Americans had been seized. A report was asked as to whether the obligations of the Platt Amendment did not require some action under the circumstances.[40] The Cuban Ambassador protested the resolution and United States Ambassador at Havana, Noble B. Judah, took issue with the statements contained and emphasized the cordial relations between the two countries.[41] President Machado also resented the possibility of intervention, and on December 31, 1928, he declared that the Platt Amendment no longer existed.

With the advent of the Hoover administration a special effort was made to understand and coöperate with the Latin-American states. Trained ambassadors and ministers were sent to every one of the Latin-American states except Cuba and subsequent events raised doubts as to the advisability of the single exception. The new Ambassador, Harry F. Guggenheim, was financially connected with numerous companies interested in Latin America and as a conservative businessman he stood consistently behind President Machado and the maintenance of a strong, stable government. Unfortunately, the depression cut the price of sugar to such an

[39] See Carleton Beals, *op. cit*, for a graphic portrayal bitterly hostile to Machado.

[40] *Congressional Record*, 70th Cong., 1st Sess., Vol 69, p. 6591.

[41] *New York Times*, April 19, May 29, 1928.

extent that bankruptcy threatened the Cuban government and such a situation was not conducive to political stability.[42]

The internal political situation became so serious in the fall of 1930 that the question of intervention was raised in the Senate by Senator Walsh, and the State Department issued a statement on October 3 declaring that a close watch was being kept upon affairs in Cuba, but it was made clear that no intervention was contemplated and only a state of anarchy could provoke it.[43] In August, 1931, a rebellion under ex-President Menocal was quickly suppressed, and again the United States refused to intervene. In fact, the White House characterized as a "mid-summer dream" the report that the United States contemplated intervention in Cuba. As an evidence of its complete impartiality, the United States placed no embargo on shipments of arms to the rebels.

The situation now became steadily worse. With the collapse of the revolt of 1931 a secret society known as the A B C, consisting largely of young professional men and students, was organized to seek to overthrow the government. President Machado retaliated by creating a secret police, the so-called Porra, which soon became notorious for its inhuman and murderous practices. The *ley de fuga* was revived and the police made abundant use, and even misuse, of it.[44] In fact, as conservative an authority as Sumner Welles declared that by the beginning of 1933 "Cuba was a country economically prostrate, ruled by a tyrannical dictatorship to which 95 per cent of the people were fanatically opposed, a country . . . in which bombings, terrorism, and murder were daily occurrences."[45]

The United States could not escape some responsibility inasmuch as the Hawley-Smoot tariff of 1930 had aided materially in Cuba's economic collapse, while the Platt Amendment gave the government which had the support of the American administration an almost invulnerable moral as well as legal standing.

[42] The average price of sugar dropped from 2.64 cents per pound in 1926-27 to .72 cent in 1931-32.

[43] *New York Times,* Oct. 3, Dec 13, 1930.

[44] See article by Russell Porter, *New York Times,* Feb. 4, 1933.

[45] Sumner Welles, *Relations Between the United States and Cuba,* Department of State, Latin American Series, No. 7 (Washington, D. C., 1934), p. 6.

Although Ambassador Guggenheim had employed financial experts at his own expense to help solve the serious financial and economic problems of the island, his open support of President Machado made him subject to ever increasing suspicion and to the most violent criticism. Nor did the fact that the Chase National Bank of New York had loaned the Machado government some $160,000,000 make his position more tenable.

The situation had become so serious that President Franklin D. Roosevelt shortly after his inauguration despatched, as ambassador, his Assistant Secretary of State Sumner Welles, an able career diplomat with considerable experience in Latin-American countries, with authority to negotiate a new commercial convention to relieve the economic strain, and to tender his good offices to help put an end to the intolerable political situation.[46] Ambassador Welles' efforts were frustrated partly by Machado's intransigence and partly by the bitter hostility which still smoldered against the ruthless President. A general strike on August 4 was followed a week later by a revolt of the army. Not only did the President and his Cabinet resign but they found it expedient to flee from the country.[47] The rioting and looting which followed were such that the United States as a precautionary measure ordered several warships to Cuban waters. President Roosevelt was careful to state that neither intervention nor the slightest interference with the internal affairs of Cuba was intended.[48] In fact, the United States accorded immediate recognition to the de Céspedes government and endeavored to coöperate in every way. But the new government did not satisfy the more liberal elements and in less than three weeks a coup d'état brought into office another provisional government headed by a committee of five which in turn chose Dr. Grau San Martín as provisional president.

Inasmuch as the new government was opposed by a considerable number of the groups which had ousted Machado, the United States refused it recognition. As an evidence of his sympathetic attitude

[46] S. Welles, *op. cit.*, p. 7.

[47] For a detailed account of the attempted mediation and the specific reasons for its failure see Charles A. Thomson, "The Cuban Revolution: Fall of Machado," *Foreign Policy Reports*, Vol XI, No. 21 (Dec. 18, 1935).

[48] U. S. Department of State, *Press Releases*, Aug. 15, 1933.

towards Latin-American susceptibilities, President Roosevelt on September 6, 1933, invited the diplomatic representatives of Argentina, Brazil, Chile and Mexico to discuss the situation and assured them that the United States would avoid intervention except as a last resort. On September 11 Secretary Hull declared that the United States was not antagonistic to any political organization and would "welcome any government representing the will of the people of the republic and capable of maintaining law and order throughout the island." [49] In spite of failure to receive American recognition and several serious uprisings against its authority, the Grau San Martín government endured until the middle of January, 1934. It had shown itself consistently hostile to the United States and on November 15 President Grau had written a personal letter to President Roosevelt requesting the recall of Ambassador Welles.[50] As Mr. Welles had only undertaken the mission as an emergency measure, he returned to his position as Assistant Secretary of State, and Jefferson Caffery, another career diplomat, replaced him in Havana. However, since Washington had not recognized the Grau régime, Mr. Caffery could only serve as the personal representative of President Roosevelt.

The real power in Cuba after the downfall of de Céspedes was a Sergeant Fulgencio Batista (who had now quickly risen to the rank of colonel). Seeing the utter impotence of the Grau régime, Colonel Batista transferred his support to Colonel Carlos Mendieta, a popular Nationalist leader with considerable ability. Mendieta became provisional president January 18, 1934, and four days later President Roosevelt, after inviting the diplomatic representatives of the Latin-American republics to confer with him, instructed Mr. Caffery to establish relations with President Mendieta.[51] To give more concrete evidences of its support, Assistant Secretary of State Welles on behalf of the United States publicly promised four constructive measures to help Cuba: (1) a fair sugar quota; (2) a new commercial treaty; (3) stimulation of trade by

[49] *Ibid*, Sept. 11, 1933.

[50] Charles A. Thomson, "The Cuban Revolution: Reform and Reaction," *Foreign Policy Reports*, Vol XI, No. 22 (Jan. 1, 1936), p. 268

[51] U. S. Department of State, *Press Releases*, Jan. 27, 1934.

utilization of the new Export and Import Bank; and (4) a modification of the permanent treaty with Cuba.[52]

It was the fourth provision that was the most important in the eyes of the Cubans, for it was the Platt Amendment which was regarded as the cause of the existence and continuance of a situation such as had existed under President Machado. The provision which permitted the United States to intervene to maintain a government adequate for the protection of life, property and individual liberty was a bulwark of protection to the administration in power. It served as a two-edged sword. The government could use the threat of intervention as an effective means of stifling armed opposition by the Cubans and if that failed there was always the chance that intervention would prefer the maintenance of the *status quo*. Furthermore, the fact that the United States had the right to intervene seemingly made it lean backward in a policy of non-intervention to prove to Latin America as a whole its anti-imperialistic policy.

The United States did not delay in the fulfilment of its promises. On May 29, 1934, President Roosevelt signed a treaty between the United States and Cuba which abrogated the Platt Amendment. In submitting the treaty to the Senate the President declared: "By the consummation of this treaty this Government will make it clear that it not only opposes the policy of armed intervention but that it renounces those rights of intervention and interference in Cuba which have been bestowed upon it by treaty." [53]

By the terms of the new agreement the Treaty of 1903 was abrogated, the acts of the United States during its military occupation were validated, the arrangement for the United States naval station at Guantánamo was maintained, and provision was made for reciprocal suspension of communications between certain ports in case of outbreak of a contagious disease. The Senate approved the treaty two days after it was signed, an example of almost un-

[52] S. Welles, *op. cit.*, pp. 14-16.

[53] For text of the treaty see U. S. Department of State, *Treaty Information Series*, No. 56 (Washington, D. C., May 31, 1934).

precedented speed. The Cuban government was equally prompt and ratifications were exchanged on June 9.

Hardly was the ink dry on the new political arrangement before announcement was made of a new commercial agreement. The Hawley-Smoot tariff of 1930 had been particularly injurious to the Cuban sugar trade, which was the island's basic industry.[54] The Chadbourne Plan for world control of the sugar industry which Cuba wholeheartedly supported had proved a dismal failure. The United States alone could furnish relief and the first step was the Costigan-Jones Act signed May 9, 1934, which permitted a larger quota of Cuban sugar. On the same day the import duty on sugar was reduced 25 per cent. But the greatest boon to Cuban prosperity was the preferential trade agreement signed August 24, 1934. Under this agreement the tariff on sugar was reduced from 1.5 cents to .9 cent per pound. Duty on Cuban rum was reduced from $4.00 to $2.50 a gallon. Reductions in duties were made in tobacco and fresh fruits. In return, the United States secured substantial reductions in the duties on its exports of foodstuffs, textiles, machinery and automobiles, lumber and many other articles. In its first month of operation the new agreement increased the exchange of commodities between the two countries over 60 per cent. The great value to Cuba is shown by the fact that her average exports to the United States during 1932-34, the two years preceding the trade agreement, amounted to 51 million dollars, whereas in the two years after the agreement the average was 133 million dollars.[55]

Unfortunately, the efforts of the United States to aid Cuba both politically and economically did not have an immediate stabilizing effect upon the internal situation. The year 1935 opened with student strikes, followed by a strike of government employees, and finally by a general strike. President Mendieta was forced

[54] For a carefully prepared study of the sugar industry in Cuba see *Problems of the New Cuba* (New York, Foreign Policy Association, 1935), Chaps. X-XIII.

[55] U. S. Department of State, *Analysis of Cuban-American Trade During the First two Years Under the Reciprocal Agreement* (Washington, D. C., Jan 19, 1937). Two supplementary trade agreements were signed with Cuba, the first December 18, 1939, and the second December 3, 1941, to balance the conditions resulting from the second World War. See *Department of State Bulletin*, Vol. I, No. 26 (Dec. 23, 1939), p. 729; *ibid.*, Vol. V, No. 131 (Dec 27, 1941), p. 603.

to suspend constitutional law and proclaim a state of siege. The situation became so serious that the State Department declared that the new treaty of relations of May 29, 1934, abolished the former special relationship, and wished it made emphatically clear that the United States would not intervene directly or indirectly in the political concerns of the Cuban people. Three candidates aspired to the presidency to succeed Mendieta and Dr. Harold W. Dodds of Princeton University was invited to come to Havana and serve as adviser. He accepted and early in December flew to Havana where he worked out a comprehensive voting plan. Elections held January 10, 1936, gave a majority to Miguel Mariano Gómez, who was inaugurated on May 20. However, Colonel Batista was still the real power in Cuba, and before the year was out he had Gómez impeached and Vice-President Laredo Bru inducted into the presidency. It was a source of criticism to some that Ambassador Caffery seemed to be on most cordial terms with Colonel Batista. But the United States had definitely ceased meddling in Cuba's internal political problems and it looked with sympathetic approval upon the efforts of its former ward to put her house in order.

The United States was not disappointed, for both internal conditions in Cuba and the relations between the two countries continued to improve steadily. In 1938 Colonel Batista accepted an invitation of the War Department to visit the United States for the armistice day ceremonies, and he received a very cordial reception. Shortly after his return he retired from the army and became a candidate for the presidency. During his campaign he pledged the immediate and unreserved aid of Cuba in case the United States should be drawn into the war.

Batista was elected President of Cuba, July 14, 1940, and was inaugurated in October of the same year. As war threatened to engulf the western hemisphere, the two governments jointly engaged in a policy of the closest coöperation. As evidence of our appreciation of Cuba's importance, the United States sent as ambassador Assistant Secretary of State, George Messersmith, one of the ablest of our career diplomats. During 1941 the Export-Import Bank authorized a loan of $25,000,000 to diversify Cuban produc-

tion and another of $11,000,000 to grind an additional twenty per cent of sugar above the quota assigned for export to the United States. A considerable sum for the purchase of war materials for defense needs was authorized under the Lend Lease Act. On February 28, 1942, the United States contracted for the purchase of Cuba's entire 1942 sugar crop at a price mutually satisfactory. Also early in 1942 the Metals Reserve Company arranged for a loan of $20,000,000 for the mining of nickel in Cuba. Incidentally, the European War had stimulated very considerably the production of Cuba's strategic minerals such as manganese, copper, chromium, tungsten, and antimony.

With the Japanese attack upon the United States, Cuba was among the first of the Latin-American republics to declare war upon the Axis powers. She also took prompt and effective action against enemy aliens, placing them in a concentration camp on the Isle of Pines. On June 18, 1942, an agreement was signed whereby the Cuban government offered facilities to the United States War Department for training aviation personnel and for operations against enemy underseacraft.[56] An all-embracing agreement coördinating military and naval measures for the duration of the war was signed September 7, 1942, which provided for the most complete coöperation of the two countries upon a basis of reciprocity.[57] For the first time in its history, Cuba imposed compulsory military service. The island's famous motto *Cuba Libre* has seemingly been extended to cover *La Salvacion de América.*

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CHAPTER X

PUERTO RICO—A STUDY IN AMERICAN TERRITORIAL GOVERNMENT

IN the foreign relations of the United States previous to the war with Spain, Puerto Rico * had generally been regarded as a sort of natural appendage to Cuba. In the public statements made by American statesmen regarding Cuba, mention was sometimes made of Puerto Rico, but, even when nothing was said, it was generally understood that Puerto Rico would follow in the wake of Cuba if that island should ever transfer its allegiance from Spain. Perhaps that is one of the reasons why, in the *Foreign Relations of the United States,* Cuba plays such a prominent part, while Puerto Rico is virtually unmentioned. Undoubtedly another reason is the uneventfulness of the island's history as compared with that of Cuba. Not having the importance which Cuba derived from its size and its proximity to the mainland, and possessing no mineral resources to incite the cupidity of the early Spanish adventurers, Puerto Rico, from the time of its discovery by Columbus until its surrender to the United States, probably received as generous treatment from the Madrid government as obtained anywhere in the great Spanish colonial dominion.

So long as Spain held most of the Americas south of the Rio Grande, she could hardly be expected to pay much attention to such an insignificant possession as Puerto Rico. However, during the wars for independence Spain came to a realization of the importance of attaching her colonies to herself through fair dealing; and a royal decree of 1815 was very generous. The result was a heavy influx of whites, many of them Spanish sympathizers, driven from the revolting countries of the empire. Although the gov-

* The change in spelling from Porto Rico to Puerto Rico was approved by Act of Congress, *S.J. Res.* 36, and signed by the President on May 17, 1932. The United States Geographic Board adopted the spelling Puerto Rico in 1891 but changed back to Porto Rico in 1900 to conform to the spelling found in the treaty of annexation.

ernor-general of Puerto Rico had powers as despotic as those of the governor-general of Cuba, there was considerably less complaint of their abuse. In 1870 the island was made a province of Spain with representation in the Spanish Cortes. A little later, in 1874, the provincial constitution was abrogated. But the provincial deputations were reestablished in 1877; only now they were partially dependent upon the governors-general. The next step towards self-government did not come till 1897, when Spain granted a form of autonomous government similar to that offered to Cuba. But the troops of the United States took over the island before its organization under the new system was completed.[1]

From October 18, 1898, when the Spanish troops withdrew, until May 1, 1900, when the Foraker act establishing civil government went into effect, the island was under military rule. The guiding principle under the three military governors, Generals Brooke, Henry, and Davis, was to interfere as little as possible with the existing native institutions. The greatest difficulty was the complete lack of knowledge, on the part of the Americans, of the methods of administration under the local laws. As General Davis writes: "Judicial procedure was strange, and the temperament, mode of life, and manners of the inhabitants differed greatly from those with which Americans are conversant. . . . At the time of my arrival not a page of the voluminous laws of the island, all of Spanish origin, had been translated into English. Those laws, upon which the whole fabric of society was based, were as a sealed book and had been so to my predecessors." [2]

The problems of the military government included policing the island, remedying the lack of sanitation, reorganizing the judicial system, and introducing financial reforms. There was much disorder and murder; pillage and arson were common offenses of the natives against the Spaniards. The sanitary condition of the cities was impossible according to American standards, and an immediate and thorough cleaning up was essential. In the first six months of the American control, more than 750,000 Puerto Ricans

[1] For a description of the government preceding 1897 and the proposed reforms, see the *Report of Brig.-Gen. G. W. Davis, House Document No. 2,* 56th Cong., 1st Sess., p 484.

[2] *Ibid*, p. 483.

were vaccinated, smallpox was stamped out, and steps were taken to isolate lepers. The reorganization of the courts and legal procedure was the most difficult problem, for, as General Davis reported: "The system of laws that prevails here is the outgrowth of quite a thousand years of human experience, and can not be struck down or radically changed in a day nor yet in a year." [3] For instance, proceedings under the writ of habeas corpus were authorized; but through inability to understand the purpose of the writ it remained virtually a dead letter. The district insular courts were reduced from fifteen to six; and each of the sixty-nine towns retained its municipal court, though upon a modified and improved basis. The insular supreme court of appeals was retained; while for the trial of offenders violating United States law a provisional court under the authority of the president was created, consisting of one law judge and two army officers.[4] The stamp taxes placed upon all deeds, notes, and bills of exchange, and the *consumo* tax upon necessities of life, such as bread and rice, were immediately abolished by the military government, and an excise tax was substituted.

The military government was faced with new and difficult problems, and it solved them in a highly creditable manner. In fact, Dr. Rowe is of the opinion "that during the early stages of our occupation of Porto Rico military government was not only desirable, but the only means of solving the immediate problems of government." [5] But, as he also says, a military régime could not be continued, because such a system is repugnant to the political standards of the American people. The principal reason why civil government was not sooner established was the fear of Congress that, on this basis, legislation in regard to the insular possessions might be subject to the restrictions of the constitution. To avoid misunderstanding on this point, the Foraker act provided that native inhabitants should be deemed citizens of Puerto Rico instead of citizens of the United States, and tariff duties of 15 per cent of

[3] *Ibid.*, p. 502

[4] *Ibid*, p 504. See also Leo S. Rowe, *The United States and Porto Rico* (London, 1904), Chap. XII, for an excellent survey of the reorganization of the judicial system.

[5] L. S Rowe, *op. cit.*, p. 127.

the Dingley tariff were placed upon goods imported into the United States from Puerto Rico, which was possible only if the island was regarded as foreign territory.[6] There was considerable uncertainty as to whether such territory as Puerto Rico, once incorporated into the United States, could be considered "foreign." But the insular cases, particularly Downes *v.* Bidwell, determined that Puerto Rico had not become a part of the United States for purposes of the constitutional provision "that all duties, imposts, and excises shall be uniform throughout the United States." The court's ruling is often summarized by the phrase, "the constitution does not follow the flag." Justice White reasoned in the concurring opinion: "To concede to the government of the United States the right to acquire, and to strip it of all power to protect the birthright of its own citizens and to provide for the well-being of the acquired territory by such enactments as may in view of its conditions be essential, is in effect to say that the United States is helpless in the family of nations. . . . Although the House of Representatives might be unwilling to agree to the incorporation of alien races, it would be impotent to prevent its accomplishment, and the express provisions conferring upon Congress the power to regulate commerce, the right to raise revenue, and the authority to prescribe uniform naturalization laws would be in effect set at naught by the treaty-making power." [7]

As established by the Foraker act, the government of the island included, first, a governor appointed by the President for a four-year term, who had the powers generally conferred upon governors of organized territories, such as to grant pardons and reprieves, appoint certain officials, veto laws, and see that the laws are executed. He was to be assisted by an executive council consisting of a secretary, attorney-general, treasurer, auditor, commissioner of the interior, and commissioner of education, also appointed by the President for four years, and by five others who were required to be native inhabitants. This executive council was also to act as the upper branch of the legislative assembly, the lower branch being

[6] *U. S. Stat. at Large*, Vol. XXXI, Chap. 191, Sects. 2 and 7.

[7] 182 U. S. 288. See also the analysis by Dr. Rowe, *op. cit.*, Chap. III, and that by P. Capo Rodriguez, *Amer. Jour. of Int. Law*, Vol. X, pp. 317 *ff.*, and Vol. XIII, pp. 483 *ff.*

a house of delegates consisting of thirty-five members elected biennially by the qualified voters. The council was to prescribe the regulations and date for the first election. The courts already established by General Davis were continued, except that a United States district court was provided to take the place of the provisional court.[8]

Perhaps the most noteworthy feature of this system of government was the executive council, which had both administrative and legislative powers; although a somewhat similar organ was found in the American colonies prior to independence It was to be expected that this body, whose members were for the most part experienced in parliamentary practice, would take ascendancy over the lower house, whose members were uniformly devoid of parliamentary training. In fact, nearly two-thirds of all the bills passed in the first session originated in the upper chamber. As summarized by Charles H. Allen, the first civil governor, the results of this first session consisted not so much in what the body did as in what it refrained from doing, for among the thirty-six acts passed "not one foolish expression of the legislative will is to be found, and not one of these acts will be speedily repealed." [9]

Governor Allen's conclusions on the success of the new plan of government are worthy of consideration. In the first place, he pointed out that American occupation found the island inhabited by a race of people of different language, religion, customs, and habits, with virtually no acquaintance with American methods, and with the commerce and trade in the hands of the Spaniards. Therefore, with the people wholly unfitted, without careful training and preparation, to assume the management of their own affairs, he felt that "Congress went quite as far as it could safely venture in the form of government already existing in the island, . . . and with good men devoted to the work, the island will develop faster under such form, its people through experience and education will advance more rapidly in their knowledge of the

[8] *U. S. Stat. at Large,* Vol. XXXI, Chap. 191. For an analysis of the workings of the government see W. F. Willoughby, *Territories and Dependencies of the United States* (New York, 1905), Chap. IV.

[9] *First Annual Report of Charles H. Allen, Governor of Porto Rico* (Washington, D. C, 1901), p. 76.

civic virtues under a guidance of present methods than could be gained in any other way." [10]

That the Puerto Ricans were not entirely satisfied with the system of government is evidenced in the successive reports of the governors. In the third annual report (for 1902-03) Governor William H. Hunt declared that the majority of all the people wanted territorial government, but that, in his opinion, a change in the government at that time would be a mistake. The creation of a house of delegates had already conferred much power upon the people, considering their autocratic government in the past. The inhabitants were justified in looking forward to full incorporation within the political body of the United States, but such a transition could not be successfully consummated without relying heavily upon the young people still in the schools, who would not be able to take their share of responsibility for some years to come.[11] The complaint sometimes raised that the Puerto Ricans were not given a full share of the appointments seems hardly just, for a summary found in the fifth annual report indicates that of the total number of government employees 2,548 were Puerto Ricans, as compared with 313 Americans; while in salaries the Puerto Ricans were getting $1,220,567 as against $355,200 received by Americans.[12]

One complaint of the Puerto Ricans, however, was fully justified, namely, that based on the uncertainty of their status as citizens. Governor Winthrop, in 1905, made it clear that this situation was creating a spirit of discontent and unrest prejudicial to the American administration. As he pointed out, under the Spanish régime Puerto Ricans were classed as citizens of Spain, and it was naturally difficult for them to understand why citizenship of the sovereign country should be denied to them under the more free and liberal government of the United States. He urged very strongly the granting of citizenship by Congress, on the ground that it would greatly improve the feeling of loyalty with which the Puerto Ricans regarded the United States, and would instill in them a

[10] *Ibid.*, p 98.
[11] *Third Annual Report of the Governor of Porto Rico* (1903), p. 13.
[12] *Fifth Annual Report* (1905), p. 41.

healthy feeling of patriotism as being citizens of the country and not merely citizens of the dependency of the country.[13]

Another serious cause of discontent was the fact that the governors were, for the most part, political appointees of the President, and had neither experience nor interest in the problems of colonial government. Ignorant as they were of the Spanish language, rarely holding the office more than a year or two (Governor Yager's seven-year term is the notable exception), it could hardly be expected that the governors would be qualified to appreciate the Puerto Rican point of view. Mr. Frank H. Richmond, who served as Assistant Attorney-General of Puerto Rico, and later as associate judge of the district court of San Juan, characterized the Puerto Rican appointees as "noted for the seriousness with which they take themselves and the amateurish pettiness of their activities; the calmness with which they assume that they are doing these people good and that the little they know of business and administration is superior to methods in vogue on the island for three centuries." [14] The bitter opposition on the part of the Puerto Ricans to Governor E. Mont Reily, President Harding's appointee, and the serious charges brought against him, indicated that stalwart political henchmen do not furnish the best material for satisfactory governors of our colonial possessions.[15]

Almost from the beginning of the island's administration under the Foraker act, a marked antagonism was manifested on the part of the House of Delegates towards the executive council, and on several occasions serious deadlocks occurred. In 1909 the situation was brought to a head when the lower house refused to vote the appropriation bills for the ensuing year unless the upper house would accept certain legislative measures which were generally conceded to be very radical in their scope, and in one case in direct violation of the Foraker act. The executive council refused to recede, and the session terminated with the appropriation measures unpassed. The governor immediately called a special session, which merely resulted in another deadlock. He then cabled to

[13] *Ibid.*, p. 42.

[14] *The Eclectic Magazine*, Vol. CXLVII (Dec., 1906), p. 487.

[15] See the interesting characterization of Mr. Reily by Mr. Davila, the Puerto Rican representative at Washington in Congress, *Cong. Record*, March 2, 1922.

Washington a full statement of the situation,[16] and President Taft, in a special message, laid the matter before Congress, then in extra session. Pointing out the advantages already secured by the Puerto Ricans under American control, the President recommended an amendment to the Foraker act providing that, when the assembly should adjourn without making the necessary appropriations, sums equal to the appropriations of the previous year should be available from the current revenues.[17] Congress immediately took up the subject, and the so-called Olmsted Amendment was passed, which provided that "if at the termination of any fiscal year the appropriations necessary for the support of government for the ensuing fiscal year shall not have been made, an amount equal to the sums appropriated in the last appropriation bills for such purpose shall be deemed to be appropriated." This amendment brought the organic act into agreement, in this matter, with the organic acts of Hawaii and the Philippines.[18]

In order to obtain further information President Taft directed the Secretary of War, Mr. Dickinson, to visit the island and investigate the situation. The emissary was accompanied by General Edwards, chief of the Insular Bureau, whose bureau now had jurisdiction over the island by virtue of the second paragraph of the amendment of 1909; also by Colonel Kean of the medical department. Secretary Dickinson's report made it clear that on two subjects Puerto Rican sentiment was unanimous, namely, citizenship and the organization and selection of the upper house. On the first the inhabitants demanded the granting of American citizenship to all Puerto Rican citizens collectively, and on the second they asked the substitution of an elective senate for the existing executive council, thus separating the executive from the legislative functions. Secretary Dickinson advised that American citizenship should in some way be conferred upon the Puerto Ricans, but not collectively, as there were many of Spanish descent who did not wish to become citizens. In regard to the senate, he recommended that a senate be created, to consist of thirteen members, all citizens

[16] *Senate Document No. 40*, 61st Cong., 1st Sess., p. 7.
[17] *Ibid.*, p. 1
[18] *U. S. Stat. at Large*, Vol. XXXVI, Part I, p. 11.

of Puerto Rico or of the United States and resident for not less than one year in Puerto Rico, eight to be appointed by the President and the remainder to be elected by the Puerto Ricans. The separation of the executive and legislative departments was also recommended. Other suggestions were that elections for all insular offices be held only once in four years instead of biennially; that a department of health be created, with jurisdiction over matters of health, sanitation, and charities; and that a department of agriculture, commerce, and labor also be added. In conclusion, the secretary gave it as his opinion that the people of Puerto Rico had, on the whole, an excellent government, and that the people of the United States could look with just pride upon the administration of affairs they had given there. The island was peaceable and generally prosperous; health conditions had improved; and the people were, in the main, contented. There were many criticisms as to the judgment, ability, sense, and industry of various officials who had been there since American occupation. But the universal testimony was that the administration had been honest and free from favoritism.[19]

As a result of this investigation, a bill was introduced in Congress by Mr. Olmsted, chairman of the Committee on Insular Affairs, embodying substantially the recommendations enumerated. In a well documented and comprehensive speech the author of the measure pointed out the conditions and needs of the island, and urged the passage of the bill as a means of ending the unsatisfactory status of the island—that of "a disembodied shade in an intermediate state of ambiguous existence," as Chief Justice Fuller expressed it.[20] The lower house finally passed the bill, amended in several matters. But it was by no means satisfactory to the Puerto Ricans. In a message to Congress dated February 23, 1910, the House of Delegates protested vigorously against its passage, on the ground that it curtailed, rather than increased, the liberties granted by the Foraker act. Incidentally they also indicated in no uncertain language their dissatisfaction with the latter act, declaring that "the regimen by the Foraker act is absurd and despotic,

[19] *House Doc. No. 615*, 61st Cong., 2nd Sess. Text of a proposed bill included.
[20] *Cong. Record*, Vol. 45 (May 25, 1910), pp. 6862-6876.

installing the higher house by presidential appointment without the intervention of the people, mingling and confusing the legislative and executive powers, and leaving the Porto Ricans without a definite and recognized personality in the law of nations." Inasmuch as the minority report of the Committee on Insular Affairs very strongly upheld the Puerto Rican contention, the Olmsted bill never became a law.[21]

The next attempt to remedy the political situation in Puerto Rico came in March, 1914, when Mr. Jones, chairman of the Committee on Insular Affairs, reported out a bill to supersede the Foraker act. No action, however, was taken at this time. Early in 1916 another bill of similar character was introduced and unanimously recommended for passage by the Committee on Insular Affairs. This time the sentiment in Congress was very favorable, and a brilliant speech made by the commissioner from Puerto Rico, Mr. Rivera, in behalf of the bill was received with applause.[22] This measure, commonly known as the Jones Act, passed both houses after considerable debate and became the organic law of Puerto Rico on March 2, 1917.[23]

Although this act did not go quite so far as some of the Puerto Ricans wished, it did attempt to meet the demands of the majority, and it successfully remedied the chief defects of the Foraker act. In the first place, a bill of rights guaranteed the individual rights and liberties of the Puerto Ricans in exactly the same manner that these rights are guaranteed by the federal constitution and the constitutions of the various states. American citizenship was granted collectively, but provision was made that those who did not wish to become American citizens could avoid it by making a declaration to this effect. The executive department was made to consist of a governor appointed by the President, and the heads of the following departments: justice, finance, interior, education, health, and agriculture and labor. Of these executive heads, the Attorney-General and the Commissioner of Education were to be appointed by the President with the consent of the Senate of the United States,

[21] *House Report No. 750,* 61st Cong., 2nd Sess., Pt. 2.
[22] *Cong. Record,* Vol. 43 (May 5, 1916), p. 7470.
[23] *U. S. Stat. at Large,* Vol. XXXIX, p. 951.

while the other four were to be appointed by the governor with the advice and consent of the Senate of Puerto Rico. These departmental heads were to constitute an executive council; but all legislative duties were withdrawn. Another important executive officer was the auditor (also appointed by the President), whose duty it was to examine, audit, and settle all financial accounts of the central and municipal governments of the island.

The legislative department was to consist of two houses, a senate of nineteen members elected for terms of four years, two each from the seven senatorial districts and five at large, and a house of thirty-nine members, also elected quadrennially, one from each of the thirty-five representative districts and four at large. The executive council was given the power to arrange the district; and, with a view to preventing gerrymandering, the districts were required to be contiguous and compact and of approximately equal population. Future redistricting was given over to the legislature of Puerto Rico. The legislature was to meet biennially, and the governor was authorized to call special sessions if, in his opinion, the public interest required it. Bills were to be passed by a majority vote, except in case of a veto by the governor; if vetoed, repassed by a two-thirds vote, and still refused approval by the governor, a bill must be transmitted to the President of the United States, who by signing it would make it law. Furthermore, all laws enacted by the insular legislature must be reported to the Congress of the United States, which reserved full power of annulment.

The qualifications for voters were to be prescribed by the legislature, except that American citizenship and age of twenty-one or over must be requirements, and property qualifications must not be imposed. The electors of Puerto Rico were authorized to choose a resident commissioner to the United States for a four-year term, whose salary of $7,500 was to be paid by the United States, and who was granted approximately the same privileges (except voting) possessed by members of the House of Representatives.

The courts already organized were to be maintained, but jurisdiction over their organization and procedure was given to the legislature, except in the case of the District Court of the United States

for Puerto Rico. The judge of this tribunal was to be appointed by the President, and the range of its jurisdiction was defined in the organic act.

The government under the new act was promptly put into effect, and in his report for 1917 Governor Yager declared that the measure was received everywhere with satisfaction. Celebrations were held in various municipalities of the island manifesting the gratification of the people. Under the provision for the renunciation of citizenship, only about 290 in the whole island made application, while more than 800 persons born in Puerto Rico of alien parents made a voluntary declaration of allegiance, thus accepting American citizenship.[24] The first elections under the act were conducted in an orderly fashion in spite of many spirited contests. In the first legislative session some friction arose between the governor and the senate, principally over the senate's slowness to confirm the governor's appointments, and it culminated in an attempt of the legislature to take a recess of two and one-half months instead of *sine die*. The governor refused to accept this interpretation of the organic law. But a compromise was agreed upon whereby the legislature reassembled pursuant to adjournment, adjourned immediately, and then reconvened at the call of the governor for a special session.[25]

Upon the entrance of the United States into the first World War, the Puerto Ricans found themselves shouldered with the obligations and duties of citizenship before they had fairly begun to enjoy its benefits. The selective service act was extended to Puerto Rico, and more than 120,000 men were registered under its provisions. Officers' training camps were established and some 425 men received commissions. Liberty Loan campaigns were carried on and the total amount subscribed amounted to more than $12,250,000. Campaigns for food conservation and production were undertaken, branches of the Red Cross and Y. M. C. A. were organized. As an example of the people's generosity, in a campaign for new Red Cross headquarters in San Juan $10,000 was raised

[24] *Report of the Governor of Porto Rico, 1917*, p. 1.
[25] *Ibid., 1918*, p. 4.

within twenty-four hours by the subscriptions of forty-five merchants.[26]

The ideals of the first World War so nobly maintained while the nations were actively participating, so sadly distorted in the period of settlement, are still a vital part of the world's imponderables. World peace and good will cannot obtain until the peoples of the various nations and states shall adopt such principles and practices in their international relations as have proved effective and satisfactory in their domestic intercourse. Nor can the exercise of these principles be confined merely to the relations between the so-called sovereign states. The relationships between sovereign states and their colonies, dependencies, protectorates, spheres of influence, and territorial possessions must be an important factor in the world politics of the future. The obligations of the great powers, the states whose importance and prestige are such that they are made mandatory or protecting powers, must be fulfilled in the broad spirit of world humanity. Areas of exploitation will always be breeding-places for international jealousies and disputes, and the United States has publicly proclaimed its adherence to a policy of unselfish guardianship of the rights of minorities and backward peoples. Does its policy, as exemplified in the control of Puerto Rico, square with these doctrines?

The unfortunate appointment by President Harding on May 11, 1921, of E. Mont Reily, a time-serving politician, to the post of governor, did not square with these doctrines, and hardly did the new governor arrive on the island before he was involved in serious difficulties with the Puerto Ricans. His dismissal of administrative officers and judges without hearing or without cause, and the filling of their posts by wholly inexperienced politicians, his insistence on increases in salaries for his particular henchmen, his utter disregard of Puerto Rican interests and needs,[27] soon brought about a demand on the part of the Puerto Rican Senate that he be dismissed, and a petition to this effect was laid before the Senate

[26] Clarence Ferguson, "The People of Porto Rico and the War," *Overland Monthly*, Vol. LXXIII (April 1919), p. 300.

[27] See the speeches of the Puerto Rican Representative, Mr. Davila, in the *Cong. Record*, Vol. 62, Part 4, pp. 3301-3309; Part 5, pp. 5024-5031, Part 12, pp. 13170-71.

of the United States on March 7, 1922.[28] A series of resolutions was introduced in the Congress of the United States to investigate conditions in Puerto Rico, but Governor Reily finally relieved the situation by resigning on February 16, 1923. The appointment of Representative Horace M. Towner of Iowa, a fortnight later, did much to allay the increasing hostility of the Puerto Ricans, and the president of the Puerto Rican Senate immediately cabled his congratulations upon the excellence of the choice.

Governor Towner, who, as chairman of the House Committee on Insular Affairs, was thoroughly acquainted with the situation in the island, entered upon his duties April 6, 1923. He declared that he hoped to lead but not to coerce, to advise but not to impose, and he carried out this policy. Speaking before the House of Representatives on January 11, 1924, in favor of permitting the Puerto Ricans to elect their own governor, Resident Commissioner Davila thus characterized Governor Towner: "At present we have in Porto Rico an able, diplomatic and sagacious executive. Governor Towner is one of the best governors the island has ever had. . . . Should our people have the power to elect their own governor, Horace M. Towner might be the choice of the people. He has won the hearts of the people by his fairness and justice and his sympathetic understanding of their methods." [29] When in 1927 it was rumored that Governor Towner was to be removed because of ill health a delegation was immediately despatched to Washington, headed by the president of the Puerto Rican Senate and the speaker of the House, to present a concurrent resolution and a memorial urging the retention of Governor Towner "because of his great ability as an executive, his untiring energy and his devotion to the fulfilment of his duties, because of the absolute spirit of justice and impartiality which forms his character . . . his retention is absolutely indispensable for the continuation of the work undertaken by him for the solution of our social, economic, and political problems. . . ." [30]

[28] *Ibid.*, Part 4, p. 3479.
[29] *Ibid.*, Vol. 65, Part I, p. 861.
[30] *United States Daily*, March 20, 1927.

Nevertheless, the Puerto Ricans realized that so long as governors were appointed by the President of the United States, and largely upon a political basis, a Mont Reily might be their future lot as often as a Towner. Therefore in January, 1924, a delegation representing all the political parties in the island and headed by Governor Towner came to Washington to plead for certain changes in the Jones Act which might bring about full self-government under American sovereignty. Perhaps the most important change desired was the right of the islanders to elect their own governor.

After hearings by committees of both houses, a bill acceptable to the various political parties of Puerto Rico, to Governor Towner, and to the War Department of the United States [31] was drawn up. The outstanding feature was the provision that, beginning with the year 1932 and thenceforth, the qualified electors of Puerto Rico should elect the governor, provided that he be subject to removal by the President of the United States for due cause and to impeachment by the Puerto Rican legislature. The bill also provided that the office of vice-governor be abolished, and that the head of the department of education and the attorney-general, as well as the other heads of departments, be appointed by the governor with the advice and consent of the Senate of Puerto Rico instead of by the President of the United States with the consent of the United States Senate. The bill also provided for a separate department of labor.

Although this bill was passed unanimously by the Senate on May 15, 1924, and received the approval of the Insular Affairs Committee of the House, it failed to come to a vote in the House. In 1926 the House did pass such a bill but on this occasion the session adjourned before the Senate could again act. Although President Coolidge had in 1925 favored the principle of an elective governor, in a letter to Governor Towner dated February 28, 1928, he showed no sympathy for Puerto Rican autonomy and declared that "Porto Rico had a greater degree of sovereignty over its internal affairs than does the government of any State or Territory of the

[31] *Cong. Record,* Vol. 65, Part 9, p. 8599 *ff.*

United States." [32] A very elaborate and impartial study made at this time by a group of experts under the auspices of the Brookings Institution proposed as a more satisfactory arrangement an amendment of the Organic Act with a view first to perfecting the island's government machinery and then making the appointment of Governors from the island itself.[33]

The island was able to appreciate the friendly attitude of the government and people of the United States when in the autumn of 1928 it was visited by the most destructive hurricane on record in the West Indies. Due to advance warnings the loss of life was not over 300, but the property damage reached almost $100,000,000. A half million people were left homeless, without food or clothing. The $10,000,000 coffee crop, ready for harvest, was almost completely destroyed. The American Red Cross expended over $3,000,000 in relief and rehabilitation, while the United States government appropriated $2,000,000 for repair and rebuilding of schoolhouses and roads and another $6,000,000 for loans to be made to individual planters and fruit growers.[34] In spite of this assistance the conditions in the island for a considerable period afterwards were pitiful in the extreme. And hardly had the island partially recovered from the disaster of 1928 before it was again stricken by the terrific hurricane of 1932.

In President Hoover and his appointee as governor of the island, Theodore Roosevelt, the Puerto Ricans found sympathetic and useful friends; both labored to bring about an amelioration of conditions in the island. President Hoover visited the island in person and urged Congress to make further appropriations in its behalf. Governor Roosevelt lost no opportunity to appeal for assistance both publicly and privately, for his investigations showed that "poverty, sickness and hunger stalk the island." [35] It was during the Hoover administration that Congress, by joint resolution

[32] *Hearings Before Committee on Insular Affairs*, 70th Cong., 1st Sess., May 16, 1928 (Washington, D. C., 1928), p. 27.

[33] *Porto Rico and Its Problems* (Washington, D. C., 1930), Chap. V.

[34] *29th Annual Report of the Governor of Porto Rico* (Washington, D. C., 1930), pp 7-9.

[35] Theodore Roosevelt, "Puerto Rico," *Foreign Affairs*, Vol. XII (Jan., 1934), p. 271.

and in accordance with the desire of the people of Puerto Rico, changed the spelling of the name to Puerto Rico, the original and correct form.[36]

The Democratic platform of 1932 had promised ultimate statehood for Puerto Rico and the politicians in the island were not disposed to allow the promise to be forgotten. But the Roosevelt administration realized that the economic situation of the island was more critical than the political, and appointed a committee of eminent Puerto Ricans to formulate a plan for economic rehabilitation. The Puerto Rico Policy Commission, as it was called, was headed by Dr. Carlos E. Chardón, Chancellor of the University of Puerto Rico, and the report is generally known by his name.[37] The program as outlined in the Chardón Report recommended: the purchase of sugar lands and mills by the United States so as to cut production of sugar and at the same time distribute the marginal lands in the form of ten-acre subsistence farms; the reduction of holdings of large landowners for redistribution to the landless agricultural class; the rehabilitation of the coffee, citrus, and tobacco industries; the establishment of farm credit; and the introduction of new industries. Upon receipt of this report an interdepartmental committee was appointed in Washington which studied the plan and made important modifications.[38] The Puerto Rico Reconstruction Administration, organized in 1935 to carry out this program, was allotted $42,000,000 by the Works Progress Administration, over one-half of which was allocated to the rehabilitation of agricultural areas.[39]

In spite of these well conceived and strongly supported measures for improving the island's economic status, the political elements became increasingly critical of the United States. Whereas until 1932 Puerto Rican parties favored statehood or independence by normal political action,[40] at that time the Nationalist Party

[36] *Senate Reports,* 71st Cong., 2nd Sess., Vol. II, Report No. 1116.

[37] *Report of the Puerto Rico Policy Commission,* June 14, 1934.

[38] See Conclusions of the Committee, *Cong. Record,* Vol. 79 (June 28, 1935), p. 10349.

[39] See the excellent survey by Earle K. James, "Puerto Rico at the Crossroads," *Foreign Policy Reports,* Vol. XIII, No. 15 (Oct. 15, 1937), pp. 186-188

[40] The Coalitionists (Union Republican and Socialist Parties) favored statehood, the Liberals split over statehood and independence.

was organized by a Harvard trained lawyer, Pedro Albizu Campos, advocating the immediate constitution of the island as a republic and resistance to the authority of the United States by violent means. Numerous clashes with the police occurred, one at the University on October 24, 1935, resulting in the deaths of several Nationalists. By way of retaliation, on February 23, 1936, two young Nationalists, inspired by the exhortations of Campos, shot down in cold blood Colonel Francis F. Riggs, Chief of Police. This outrage was followed by several other attacks upon the police, and the culmination came on March 21, 1937, at Ponce, where 19 people were killed and about 100 wounded when the police tried to prevent a parade by the Nationalists.[41]

The government of the United States had not been unmindful of the growing political crisis in the island and as a preliminary step to a more satisfactory policy the jurisdiction of the island was transferred from the War Department to the newly established Division of Territorial and Insular Possessions in the Department of Interior.[42] A well-known liberal with considerable experience in Latin-American affairs, Dr. Ernest H. Gruening, was named as its head. Unfortunately, whether through lack of experience in colonial administration or through an alleged tendency to engage in local politics in the island, the change in administration did not prove to be as beneficial to Puerto Rico as was hoped.

When Secretary of Interior Ickes was asked to state his attitude towards the bill regularly introduced into Congress by Resident Commissioner Iglesias granting full statehood to the island, he replied that he would not put any obstacle in the way of a vote. He thought, however, that various points should be considered before such a step should be taken: it would establish a precedent by including non-contiguous territory and also by including a population of wholly different cultures, tradition and language; there was some opposition to statehood in Puerto Rico and the rights of

[41] For a detailed account see the statement of Governor Winship in the *Cong. Record*, Vol. 81 (June 3, 1937), pp. 5275-5280, see also the very critical "Report of the Commission of Inquiry on Civil Rights in Puerto Rico," by the New York American Civil Liberties Union (May 22, 1937).

[42] Set up by Executive Order of May 29, 1934.

the people in the Union were involved; finally, statehood once gained would be permanent.[43]

The murder of Colonel Riggs brought matters to a head in the United States as to establishing the future status of Puerto Rico. Without previous warning, on April 23, 1936, Senator Tydings, Chairman of the Senate Committee on Territories and Insular Affairs, introduced, with the support of the administration, a bill giving the Puerto Ricans the option of becoming independent or remaining under the American flag, the decision to be based upon a national referendum on the island.[44] If independence were preferred, the island would retain a commonwealth status for four years and then be given complete independence. Such a bill was a bombshell in the islands where it was well known that independence meant economic ruin. Nor was the fact overlooked that for over two years the United States had been spending about one million dollars a month of its own relief funds in Puerto Rico. The reaction in the island was noticeably hostile to the bill and the Liberal party which favored independence suffered a substantial defeat in the fall elections of 1936. The bill itself was not even discussed in committee and the political future of the island remained a question mark.

A political event with great economic potentialities occurred in the autumn of 1940 with the success of the new *Partido Popular Democrático* under the dynamic leadership of Luis Muñoz Marín. This party had an elaborate program of social and economic reform which it was determined to translate into legislative enactment. Its first noteworthy achievement was the passage of the Land Authority Act in April, 1941, which set up a Land Authority —*Autoridad de Tierras de Puerto Rico*—which was empowered to acquire and distribute among the small agriculturists lands in excess of 500 acres held by corporations. Its first large purchase was 10,000 acres from a sugar concern which it allocated to small farmers. Coupled with the fact that the benefits of the Bankhead-Jones Farm Tenant Act were made available to Puerto Rico, it was

[43] *New York Times*, April 17, June 2, 1935; *Cong. Record*, Vol. 79 (June 5, 1935), p. 8713.

[44] *Cong. Record*, Vol. 80 (April 23, 1936), p. 5925.

made possible for farm tenants, laborers, and share croppers to obtain loans to acquire family-sized farms.

Although sugar is Puerto Rico's greatest asset at the present time, and some method of coöperation between the great sugar controls and the small farmer may be worked out, a one-crop economy is always vulnerable. For this reason serious attention is being given to restoring the island's former position as a producing area of high-grade coffee. The hurricanes of 1928 and 1932, followed by the second World War, have had disastrous results; nevertheless when the European market is again available there should be a substantial outlet for the aromatic Puerto Rican coffee which is much preferred in Europe to the coarser Brazilian bean. The taste for Café Rico is also being stimulated in the United States by an advertising campaign. Since the repeal of prohibition the production of rum in Puerto Rico has been the fastest growing industry. Ronrico and Carioca are now almost as popular as Bacardi in the United States and exports which were only valued at $40,000 in 1935 amounted to over $5,000,000 in 1940. If Puerto Rico is successful in building up the tourist trade which the island's location, climate, and beauty easily warrant, some of these local industries will be stimulated both at home and abroad.

In his message to the second session of the fifteenth legislature Governor Tugwell, after conceding that the condition of the people reflected years of injustice and neglect, stressed the need to "set going movements which in time will lift people out of slums and will exorcise hunger. . . . Specifically, we must perfect and enlarge the program of land reform; give workers greater protection; constantly strive to raise the levels of nutrition; make life and living more secure; perfect the devices of government for recruiting and disciplining the public service; plan and execute public work with greater efficiency. . . ." [45]

The outbreak of war and the decision to make Puerto Rico the key to the defense system of the Caribbean had a quick and stimulating repercussion upon the economic conditions of the island. The program included two airplane bases for the army at Punta

[45] *Message of R. G. Tugwell to the Fifteenth Legislature* (San Juan, P. R., 1942), pp. 3, 12.

Boriquen and Ponce, an air base and a submarine base for the navy at Isla Grande, numerous auxiliary air fields, and a huge expansion of existing army posts. It was estimated that the United States would spend over fifty million dollars on this construction.[46] The army's first new military department in forty years, the Military Department of Puerto Rico, was instituted July 1, 1939, in San Juan. Puerto Rico and the Virgin Islands were constituted as the tenth naval district on January 1, 1940. Since Puerto Rico is the only island base in the Caribbean which is under the permanent sovereignty of the United States it may well become the "Gibraltar of the Western Hemisphere."

Much has been made of the physical and economic progress of the island and these phases cannot be overlooked in attempting to evaluate the success of American rule in Puerto Rico. When the United States took over the island in 1899 there were but 267 kilometers of completed roads; in 1940 there were 2,000 kilometers. In 1899 there were practically no public school buildings worthy of the name; in 1940 there were over 2,000; the number of students has increased from about 45,000 to over 250,000. The University of Puerto Rico has over 5,000 students enrolled and the School of Tropical Medicine is one of the outstanding institutions of its kind in the world. Agencies for guarding public health have been introduced, such as quarantine, hospitals and sanitary systems; some diseases, such as yellow fever and smallpox have been almost completely eliminated, while others have been brought under control. A more modern and just taxation system has been put into operation and a strict auditing system has been provided. As an indication of the full share of the Puerto Ricans in the administration of their own affairs, of the 6,244 positions in the government service, only 233 were held by continental Americans. It should also be noted that all the customs duties and internal revenue taxes collected in the island go to Puerto Rico, and these have already amounted to over $50,000,000. The island is exempt from Federal income tax and inheritance tax.

It is in the volume of foreign commerce, however, that Puerto

[46] See A. Randle Elliott, "U. S. Strategic Bases in the Atlantic," *Foreign Policy Reports*, Vol. XVI, No. 21 (Jan. 15, 1941).

Rico has made the most phenomenal progress, having risen from $17,502,103 in 1901 to $199,377,724 in 1940. The share of the United States in this trade has increased from 71 per cent to 96 per cent in this period. At the present time Puerto Rico ranks first among the Latin-American countries as a market for United States goods and ninth in our world export trade.

This table, prepared from statistics found in the Annual Report of the Governor for 1941 shows graphically the commercial progress of the island:

	1901	1940
Merchandise from Puerto Rico to the United States	$5,581,288	$90,902,156
Merchandise from Puerto Rico to foreign countries	3,002,679	1,445,086
Total trade with the United States	12,546,696	191,419,340
Total trade with foreign countries	4,955,407	7,958,384

But in spite of this imposing façade of statistics the condition of the people of the island today is not a happy one. And, paradoxically, the very improvements instituted by the United States have been one of the fundamental causes of the present tragic situation. As a result of improved sanitary and health measures, the population is greater than the island can support. It has more than doubled under American rule and in 1940 was estimated at 1,870,000, a density of over 500 to the square mile. The United States, an industrial nation, has a density of 41. Even with the valiant efforts of the Roosevelt administration, 82 per cent of the people are on relief rolls. It has been declared by investigators that the Puerto Rican peon "lives literally in a state of chronic starvation, crowding his filthy scarecrow body into a hut where his female counterpart and their numberless wretched children almost always share at least one of his diseases." [47] Under these circumstances, the crying need for a prompt, all-embracing program of birth control would seem to be the most fundamental requirement of the island. So long as unlimited breeding of undernourished peons continues, economic rehabilitation is impossible. Unemploy-

[47] E. M. Matsner and William Laidlaw, "Puerto Rico: Old Woman in a Shoe," *North American Review*, Vol. 242 (Winter, 1936), p. 277.

ment, low standards of living, social and physical degeneration are the direct results.[48]

As former Governor Theodore Roosevelt once observed, "Puerto Rico is not and almost certainly never will be an economic asset to the United States." Nevertheless, if the population pressure could be checked, and if there could be a careful redistribution of land, followed by a rigid enforcement of the "five hundred acre law," the economic rehabilitation of Puerto Rico would not be an impossible task. But coincident with this must come a clarification of the political situation. The United States must formulate a definite policy for its future relations with the island. If we intend to hold Puerto Rico in leading strings, at least a goal should be set so that the people in the island might look forward to statehood, greater autonomy, or full independence. But so long as no definite policy is laid down, and the Puerto Ricans are compelled to receive governors whose appointment is based principally upon political grounds, and to accept laws in whose making they have had no voice, we can hardly expect them to be entirely satisfied.[49] Nor can we truthfully say that our conduct and policies conform completely to the highest ideals and traditions of American political life.

[48] The dissemination of birth control information has recently been legalized by the government but the ignorance and poverty of the *jibaro*, the influence of the Catholic Church, and the cost of contraceptives have militated against any noticeable reduction in the birthrate.

[49] In a message to the Congress dated March 9, 1943, President Franklin D. Roosevelt asked that the Congress enact legislation providing for the election of the governor of Puerto Rico by the people of the territory. The President declared that both Governor Tugwell and Secretary Ickes supported such action It was also reported that Senator Tydings suggested that Puerto Rico be given complete independence, with the United States retaining control of military and naval bases there.—*New York Times*, March 10, 1943.

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CHAPTER XI

AMERICAN INTERESTS IN HAITI AND SANTO DOMINGO

THE influence of geography upon history can hardly be overestimated. In ancient times, when nature's highways, the seas and great navigable rivers, furnished the principal arteries of communication, this influence was unquestionably more important than today, when man's ingenuity and effort have so largely overcome the obstructive barriers of nature. But even now, although the effects of physical factors are less evident, they play an important rôle in national and international policies. No nation can ignore the consideration of geography in evaluating the bases of its historical development.

A mere glance at a map of the Caribbean Sea gives the key to the history of the island of Santo Domingo. Lying almost directly between Cuba and Puerto Rico, it would undoubtedly be discovered by Spain; like Cuba, it would probably be the sport of English and French buccaneers during the seventeenth century; and at the present time, commanding as it does both of the important routes between northern Europe and the Panama Canal, *i.e.*, the Windward passage and the Mona passage, it would necessarily be affected in some way by the influence of the United States. This is the general setting of its history, no less than that of its neighbors. But, although the historic background of the Caribbean islands is similar, each island has had a decidedly individual foreground; and in the case of Santo Domingo it must be sketched in rather somber colors.

Santo Domingo was discovered by Columbus on his first voyage, shortly after he had discovered Cuba. The natives called the island Haiti, but Columbus named it la Española, or, as it is now generally written, Hispaniola. A small colony of Spaniards was left by the discoverer at Cape Haitien, on the northwest coast of the

island. But on his return, in 1493, he found that all had been massacred by the natives. The Spaniards exacted bloody vengeance later, and it was estimated that within twenty years of the discovery of the island the population was reduced from 1,000,000 to about 14,000.[1] To repopulate the island the slave trade was resorted to; and ultimately the blacks became the preponderant population.

The island remained under the unchallenged domination of the Spaniards until the middle of the seventeenth century, when the French established settlements in the western extremity. The Spaniards made various efforts to oust their unwelcome neighbors, but to no avail, and the treaty of Ryswick in 1697 definitely ceded the western section of the island to France. The French colonists soon made Saint-Domingue one of the most prosperous islands of the West Indies, although their great sugar, coffee, and tobacco plantations were worked entirely with slave labor. When the French Revolution broke out, in 1789, it was estimated that the population of Saint-Domingue consisted of about 40,000 whites, 28,000 *affranchis,* or freedmen, and about 452,000 slaves.[2]

The principles of the Revolution quickly became known in Santo Domingo, and at the earnest solicitation of the *affranchis,* the National Assembly, in 1791, granted full civil and political rights to free-born colored men in French possessions. This decree was resisted vigorously by the whites in Haiti, and the result was one of the most horrible servile wars in the world's history. The blacks, whose treatment at the hands of the whites had been barbarous in the extreme,[3] massacred the whites in veritable orgies of slaughter. In the wars that followed, the one bright spot was the brilliant achievements of the black leader, Toussaint l'Ouverture. Fighting, in turn, with the Spanish against the French, then with the English and Spanish, sometimes with the mulattoes, sometimes against them, but always sturdily defending the interests of his

[1] Justin Placide, *Histoire politique et statistique d'Hayti, Saint-Domingue* (Paris, 1826), p. 40.

[2] J. N. Léger, *Haiti: Her History and Her Detractors* (New York, 1907), p. 41.

[3] J. N. Léger, *op. cit.,* p. 50 (note)

black comrades, by 1799 Toussaint had control of virtually the entire island.[4]

It was at this period that the island came within the diplomatic horizon of the United States. In December, 1798, Rufus King, the American minister to Great Britain, heard rumors that a commercial agreement had been signed by a British officer and Toussaint.[5] King immediately approached Grenville, the British Foreign Minister, who admitted that the report was true and explained that, although General Maitland had signed the agreement wholly without authority, his government felt that in order to protect Jamaica it was wise to ratify the convention.[6] Owing to the fact that French sovereignty was still recognized in the island, and that the United States had prohibited all trade with French territories, such an agreement would be inimical to American trade interests. Therefore, early in January, 1799, King again approached Grenville, this time suggesting that if the island should become independent, concerted action between the two powers would be the most advantageous line of action. Grenville agreed, and proposed the formation of an exclusive company, composed jointly of British and American nationals, to trade with Santo Domingo. King was dubious about the power of Congress to create such a company, and he suggested as a more feasible scheme that each nation make treaties with Toussaint, confining trade to the citizens of the two countries.[7] Grenville, however, seemed to prefer the plan of a joint company, and in a communication to King he outlined a definite proposal in which all trade should be confined to Port au Prince.[8]

These proposals were laid before President Adams, who, however, feared that the independence of Santo Domingo would not be an unmixed blessing for the United States, and also objected

[4] For detailed accounts of this period see T. G. Stewart, *The Haitian Revolution, 1791-1804* (New York, 1914), and T Lothrop Stoddard, *The French Revolution in San Domingo* (Boston, 1914).

[5] For a full account of this agreement see Thos. Southey, *Chronological History of the West Indies* (London, 1827), Vol. III, pp. 155-159.

[6] *Life and Correspondence of Rufus King* (New York, 1895), Vol. II, p. 476.

[7] *Ibid*, Vol. II, p. 499.

[8] *Ibid.*, p. 504.

to the idea of a joint company. He accordingly declared it to be the policy of the United States not to meddle.[9] Hamilton was more outspoken in his advice. In a letter to Pickering, the Secretary of State, dated February 9, 1799, he proposed that there be no committal regarding the independence of Santo Domingo, that there be no guaranty, no formal treaty, merely a verbal assurance to Toussaint that upon a declaration of independence commercial intercourse would be opened.[10] The whole American position was well summed up in a confidential note from Pickering to King, dated March 12, 1799, in which the Secretary of State declared: "We shall never receive from the French Republic indemnification for the injuries she has done us. The commerce of Santo Domingo presents the only means of compensation, and this I have no doubt we shall obtain. Toussaint respects the British, he is attached to us; he knows our position, but a few days' sail from Santo Domingo, and the promptitude with which we can supply his wants. . . . Nothing is more clear than, if left to themselves, the blacks of Santo Domingo will be less dangerous than if they remain the subjects of France. . . . We therefore reckon confidently upon the independence of Santo Domingo." [11]

Joint action with Great Britain seemed essential, and in April an agreement was signed, based upon the common interest of the two countries, to prevent dissemination of dangerous principles among slaves held in territories belonging to the respective countries, and to open up intercourse with the islands.[12] The result was the appointment of Mr. Edward Stevens as consul to Santo Domingo, and a proclamation by the President, dated June 26, 1799, opening up Santo Domingo to American trade, though only through the two ports of Cape François and Port au Prince.[13] By this decree Toussaint's position was both recognized and strengthened, inasmuch as Rigaud, his principal rival, had to depend upon the southern ports for his provisions and war material. As shown

[9] *Works of John Adams* (Boston, 1853), Vol. VIII, p. 635.
[10] *Works of Alexander Hamilton* (New York, 1850), Vol. VI, p. 395.
[11] *Life and Correspondence of Rufus King*, Vol. II, p. 557.
[12] For text see *Works of John Adams*, Vol. VIII, p. 639.
[13] *American State Papers, Foreign Relations*, Vol. II, p. 240.

by his letter of August 14, 1799, to President Adams,[14] Toussaint was not entirely satisfied. But in the following year the United States gave him further support by sending war-ships to blockade the southern ports.[15]

By the opening of 1801 Toussaint was in complete control of the island, including the Spanish part; and a constitution adopted May 9, 1801, made him governor-general for life. His success was to be transient. Napoleon, who now had a breathing-spell in Europe, organized an expedition under his brother-in-law, General Le Clerc, to recover Santo Domingo. For a time Toussaint resisted, but finally, realizing the futility of continuing the struggle against overwhelming odds, he surrendered and withdrew to one of his plantations. The French, however, feared his influence, and by an act of base treachery they seized him and sent him to France. Broken in health but not in spirit, he died, less than a year afterwards, in the prison at de Joux. The French paid dearly for their action. Finding a new leader in Dessalines, the blacks renewed the struggle for independence with astonishing vigor. The death of Le Clerc aided their cause, as did also the ravages of yellow fever. When the peace of Amiens was broken, Napoleon could no longer afford to dissipate his energy in the New World to such little advantage. Santo Domingo became merely a stepping-stone to a great French empire west of the Mississippi. Yet it was also the corner-stone, without whose possession the structure would be exceedingly insecure. Jefferson had already intimated that the United States would not look with pleasure upon French ownership of Louisiana, and Monroe had already been sent to negotiate for New Orleans and the Floridas. America's star was in the ascendant; and Napoleon, who did not do things by halves, suddenly ordered Marbois to sell the whole of the Louisiana territory to the United States, and at the same time instructed Rochambeau, who now commanded in place of Le Clerc, to withdraw from Santo Domingo. On December 20, 1803, the United States took formal possession of New Orleans, and on January 1, 1804, Saint-Domingue was de-

[14] J. N. Léger, *op. cit.*, p. 99 (note).
[15] *Ibid.*, p. 100.

clared forever independent of French domination Even the French name was discarded—the island resuming its original name of Haiti.[16] The United States will always be grateful to Jefferson for his vision, and to his representative Livingston for his prompt action. But it must be conceded that no small share in the happy result was contributed by the fight for the independence of Santo Domingo so indefatigably carried on by Toussaint l'Ouverture.

It does not come within our province to consider the internal history of the island during the next few decades, except as it concerns the United States. The island's independence was not recognized by the United States when recognition was accorded to the rest of Latin America, although Great Britain officially gave recognition in 1826, and even France followed suit in 1838. The unstable character of the government was hardly a reason for our inaction, considering that one president, Jean Boyer, remained in office from 1818 to 1843. The real reason was rather the dangerous slavery question; for undoubtedly the abolition of slavery in the island was viewed by an important element in the United States as a most undesirable precedent. Even Bolívar, who had been received most cordially by the Haitians during his struggle for the independence of South America, and had been given generous supplies of ammunition and provisions, did not dare include Haiti in his invitation to the Congress of Panama.

The first official diplomatic relations that the United States had with the island were established in 1844. After the resignation of Boyer in 1843, the Spanish part of the island revolted and set up a separate government under the name of the Dominican Republic. Desirous of strengthening itself against the blacks, this republic immediately despatched an envoy to the United States to obtain recognition and, if possible, to sign a treaty of friendship and commerce. In order to obtain unbiased information concerning resources and conditions in the island, President Polk despatched a special agent, John Hogan, on February 22, 1845, to investigate and make a report. Mr. Hogan spent about five months in the island, and ran up a heavy expense account which the government

[16] *Ibid.*, p. 153.

later refused to pay. But his report remained buried until 1871, when the House asked for the information.[17]

In the meantime the Dominicans, not obtaining satisfaction from the United States, and constantly harassed by the guerrilla warfare on the Haitian border, approached both France and Spain. President Souloque, of Haiti, prepared a large expedition with the purpose of forcing the Dominicans back under the control of Haiti; whereupon the threatened republic, in a circular note dated February 22, 1850, and addressed to the consuls of the United States, France, and Great Britain, urgently solicited the mediation of the governments of those countries.[18] Through the British minister at Washington, France and Great Britain proposed that the United States coöperate with them in a joint plan of action. Mr. Webster, who had succeeded Mr. Clayton as Secretary of State, nominated Mr. Robert M. Walsh as special agent to Haiti, with a view to obtaining fuller information before announcing his policy.

Mr. Walsh sailed for Haiti, January 25, 1851, and upon arriving at Port au Prince immediately got in touch with the British and French consuls. He then informed the Haitian Minister for Foreign Affairs that the government of the United States had determined to coöperate with the governments of England and France to secure the pacification of the island, and that the most feasible way to accomplish this was for the government of Haiti to acknowledge the independence of the Republic of Santo Domingo.[19] At the same time, a joint note, signed by the representatives of the three powers, demanded a definite treaty of peace, or, in lieu of that, a truce of ten years between the Empire of Haiti and the Dominican Republic. After a series of interviews and *pourparlers,* the Haitian government refused to subscribe to either proposition, but promised to continue the truce that then existed. Unable to obtain anything better, Mr. Walsh left, and in summing up his report he declared that the only way to obtain the recognition of the Dominican Republic by Haiti was by the use of force. The United

[17] Report published in *House Executive Document No. 42,* 41st Cong., 3d Sess.

[18] *Sen. Ex. Doc. No. 12,* p. 19, 33d Cong., 1st Sess

[19] The complete correspondence of the Walsh Mission is found in *Sen. Ex. Doc. No. 113,* 32nd Cong., 1st Sess

States government, however, might well be content with the result achieved; for this statement not only allowed it to escape from an entangling alliance of dubious value, but was in direct accord with the American policy of looking with disfavor upon European intervention in the Western Hemisphere.

During the next decade America's relations with the island were based chiefly upon the Dominican Republic's need of protection against Haiti, and upon the means that she employed to obtain it. A protectorate under a strong power seemed the safest plan, and from 1843 onwards the Dominicans had made a series of proposals to both France and Spain suggesting such a measure; but, as one authority puts it, "neither France nor Spain was anxious to annex a hornets' nest." [20] In 1855 a proposal was made to General William L. Cazneau, the United States commissioner to the Dominican Republic, that Samana Bay be leased to the United States at a nominal rent for a naval base; but when the negotiations leaked out, France and Great Britain protested, and nothing further was done.[21]

In 1861 President Santana was successful in his efforts to obtain a Spanish protectorate; and in a fervid letter to the Queen of Spain he assured her that "The Dominican people, giving a free course to those sentiments of affection and loyalty which have been so long repressed, have unanimously and spontaneously proclaimed you as their Queen and Sovereign, and I, who have now the exalted and undeserved honor of being the organ of those sincere sentiments, lay at your Majesty's feet the keys of this lovely island." [22] By a royal decree dated May 19, 1861, the Queen accepted the offer, and Santana was made governor-general of the colony. If the Monroe Doctrine covered voluntary transfer of sovereignty, here was a clear-cut violation. But, as in the contemporary French intervention in Mexico, Seward's hands were tied by the Civil War, and he could

[20] Otto Schoenrich, *Santo Domingo* (New York, 1918), p. 55

[21] See Moore, *Digest of Int. Law*, Vol. I, p. 598; treaty also mentioned by Hamilton Fish, *Sen. Ex. Doc No 17*, 41st Cong., 3d Sess. Mrs W L Cazneau gives an interesting side-light on these negotiations in an appendix entitled "The Seward Samana Mystery" in her book, *Our Winter Eden* (New York, 1878).

[22] *British Parliamentary Papers, 1861*, Vol. LXV Papers rel to Annex of St. Domingo, p. 28.

only protest in very general terms. Although on April 2, 1861, he wrote the Spanish minister at Washington that Spanish interference in the Dominican Republic would be regarded as manifesting an unfriendly spirit towards the United States and would be met with a prompt resistance, when the news of annexation was received, and Carl Schurz, our minister to Spain, asked him for an explicit statement of policy, Seward replied that too many other subjects were occupying his attention to permit him to give full consideration to this one.[23] The Dominicans, however, were not long content with the Spanish rule. In 1863 a revolution, known as the War of the Restoration, broke out, and two years later, coincident with the termination of the Civil War in the United States, the Spanish Cortes passed a law relinquishing the colony.[24]

An excellent opportunity was given to Seward to indicate the post-bellum attitude of the United States towards the island when the British minister proposed, on July 25, 1865, that the United States concur with Great Britain in guaranteeing the neutrality of the peninsula of Samana.[25] Replying on August 15, the secretary declared that the United States was "sincerely desirous that the entire island of Haiti may now and henceforth remain subject exclusively to the government and jurisdiction of the people who are the dwellers and occupants thereof, and that they may never be dispossesed or disturbed by any foreign state or nation whatever."[26] He further pointed out that, while the United States was gratified at the proposal, its policy regarding political alliances with foreign states prevented its participation.

After the emancipation of slaves in the United States there was no further reason to refuse to recognize Haiti. In fact, ever since 1838 Congress had been bombarded with petitions and memorials from citizens and organizations of different states asking for such

[23] Frederic Bancroft, *The Life of Wm. H. Seward* (New York, 1900), Vol. II, p. 157.

[24] A full account of this period from the Spanish standpoint is given by General Gandara y Navarro, *Anexion y Guerra de Santo Domingo* (Madrid, 1884).

[25] *Foreign Relations of the United States*, 1865, Part II, p. 184; see also Seward's notes to Perry, pp. 522-534.

[26] *Ibid.*, p. 191; see also J. N Léger, *La Politique Extérieure d'Haiti*, pp. 145-157.

recognition. In his messages of December 3, 1861, President Lincoln expressed the opinion that the independence of Haiti should be recognized; and by the act of June 5, 1862, the President was authorized to appoint a diplomatic representative. On July 12, 1862, Mr. Benjamin F. Whidden was empowered to act as a commissioner and consul-general to Haiti.[27] Two years later a treaty of amity and commerce was concluded between the two countries, and its proclamation followed on July 6, 1865.[28] Owing to the Spanish protectorate and the resulting disorder, the Dominican Republic was not recognized by us until September 17, 1866. A treaty similar to that made with Haiti was signed in the following year.[29]

In 1866 the question of Samana once more came up, and this time the Dominican Foreign Secretary proposed to lease certain keys and coal mines in Samana Bay, provided the United States would advance the republic $1,000,000 in the form of a loan. Secretary Seward thereupon sent the Assistant Secretary of State and Rear-Admiral Porter, with power to conclude a convention for the lease or cession of the peninsula and bay of Samana for the sum of $2,000,000, one half in cash and the other half payable in munitions of war. The Dominican government was willing to give certain concessions, but declared that the national constitution prevented absolute sale of territory. By the end of 1867, however, conditions were such that the island government decided to accede to the terms of the United States, and the negotiations were rapidly progressing when a revolution brought the downfall of the ruling authorities.[30]

The new government, under General Baez, was even more friendly to the United States, it proposed, indeed, to Mr. Smith, the commercial agent at Santo Domingo City, that the United States assume a protectorate over the republic and take possession of Samana Bay as a first step towards annexation.[31] This went beyond the ideas of even Seward; although he was soon won over to the proposal, subject to the favorable outcome of a popular

[27] J. B Moore, *Digest of Int. Law*, Vol. I, p. 107.
[28] W. M. Malloy, *Treaties, Conventions, etc., of the U. S.*, Vol. I, p. 921.
[29] *Ibid.*, p. 403.
[30] See Seward's account in *Sen. Ex. Doc. No. 17*, 41st Cong., 3d Sess., p. 5.
[31] J. B Moore, *op. cit.*, Vol. I, p. 590.

referendum in the insular state. President Johnson's ill-considered message of December 9, 1868, indicated the direction of the wind.[32] In a letter to General Banks on January 29, 1869, Seward suggested that the stage was all set for annexation, and a joint resolution was introduced by Mr. Orth, of Indiana, providing for the admission of Santo Domingo, on the application of the people and government of that republic, into the Union as a territory of the United States, with a view to the ultimate establishment of a state government.[33] Congress, possessing neither the information nor the imagination of Seward, promptly laid the resolution on the table.

The Grant administration next took over the problem, and Hamilton Fish, the new Secretary of State, despatched General Babcock as a special agent to obtain full information regarding the island, particularly in regard to the disposition of the government and people towards the United States.[34] Incidentally, the new agent signed a protocol with the Dominican government in which Seward's proposal was virtually repeated, but which also provided that President Grant should use his utmost influence to make the idea of annexation more popular with members of Congress.[35] With this as a basis, General Babcock and Mr. R. H. Perry were authorized to sign a treaty of annexation incorporating the republic as a territory of the United States, and also a convention giving the United States immediate possession of the Samana peninsula and bay. The cash payment to be made by the United States was $1,500,000. The treaty further provided that in case of its rejection the United States should still have the right to acquire the peninsula and bay of Samana within fifty years upon the payment of $2,000,000.[36] The treaties were signed November 29, 1869, and communicated to the Senate in the following January.

The debate that followed brought about a serious controversy between President Grant and Charles Sumner, who was at that time chairman of the Senate Committee on Foreign Relations. The re-

[32] See pp. 60-61.

[33] Frederic Bancroft, *op. cit.*, Vol. II, p. 488.

[34] For instructions see *Sen. Ex. Doc. No. 17*, 41st Cong., 3d Sess., p 79

[35] For text of protocol see *Sen. Report No. 234*, 41st Cong., 2nd Sess., p. 188.

[36] Text of treaty and convention, *Sen. Ex. Doc. No. 17*, 41st Cong, 3d Sess., pp. 98-102.

port of the committee was adverse to the treaties, and Sumner led the opposition. A vote was taken on June 30, 1870, resulting in a tie (28-28); and as a two-thirds vote was required for ratification, the opponents had won. In his second annual message, December 5, 1870, President Grant again brought up the question and strongly urged that Congress reconsider the matter on the ground that possession of the territory would be of incalculable advantage to the United States strategically, economically, and commercially, and would be "a rapid stride towards that greatness which the intelligence, industry, and enterprise of the citizens of the United States entitle this country to assume among nations." [87] Although the opposition to annexation remained as strong as ever, out of deference to the President's views it was proposed that three commissioners be appointed to inquire once more into the political and economic condition of the island. In a powerful speech, teeming with invective and heated charges, Sumner resisted this proposal.[88] The resolution passed; and the result was that Fish joined Grant in open opposition to Sumner, who was ultimately ousted from his committee chairmanship.[89]

In accordance with the congressional resolution, President Grant appointed a very eminent investigating commission, consisting of Benjamin F. Wade, Andrew D. White, and Samuel G. Howe. The three men visited the island and made an elaborate and painstaking report, which is even today a very valuable source of information.[40] They unanimously approved of the annexation, and President Grant once more, in a special message prefacing the report (April 5, 1871), indicated that his own opinion regarding the desirability of annexation had not changed. But the sentiment of Congress was similarly unchanged; so that, although the President, in his last annual message, recurred to the subject, it was merely to vindicate his attitude rather than to renew the proposal.

[87] J. D. Richardson, *Messages and Papers of the Presidents,* Vol. VII, pp. 90 *ff.*

[88] *Works of Charles Sumner,* Vol XIV, 15 vols (Boston, 1875-83), pp. 89-131.

[89] For a detailed account of this famous controversy see Ed. L. Pierce, *Memoir and Letters of Charles Sumner* (Boston, 1894), Vol. IV, pp. 426 *ff.*

[40] *Sen. Ex. Doc. No. 9,* 42nd Cong., 1st Sess.

One of the chief arguments made by Sumner, Schurz, and their followers was the alleged overbearing attitude of the United States toward Haiti. It was asserted that, in order to prevent extraneous influences from interfering with the negotiations, our government had sent war-ships to the island, not only to sustain President Baez against internal difficulties, but also to intimidate Haiti. The instructions given by the Secretary of the Navy to Admiral Poor were, indeed, couched in no uncertain terms: "Proceed at once with the *Severn* and *Dictator* to Port au Prince, communicate with our consul there, and inform the present Haitian authorities that this government is determined to protect the present Dominican government with all its power. . . . If the Haitians attack the Dominicans with their ships, destroy or capture them." [41] Admiral Poor did not think it necessary to mask his orders by diplomatic formulæ, and he bluntly informed President Saget of Haiti that "any interference or attack by vessels under Haitian or any other flag upon the Dominicans during the pendency of said negotiations will be considered an act of hostility to the flag of the United States, and will provoke hostility in return." [42] Sumner offered a resolution in the Senate condemning these orders as involving an unlawful assumption by the President of the war-making power; but the proposal was laid on the table.[43] Secretary Fish also gave instructions during this period to Mr. Bassett, our minister to Haiti, warning the Haitian government against any interference with the Dominican Republic.[44]

For a period following the Grant administration the United States seemed to lose interest in further expansion in the Caribbean region. When, in 1882, President Salomon, of Haiti, offered to cede to the United States the island of La Fortue, Secretary Frelinghuysen said that "the policy of this government, as declared on many occasions in the past, has tended towards avoidance of possessions disconnected from the main continent." [45] Two years

[41] *Sen. Ex. Doc. No. 34*, 41st Cong., 3d Sess., p 11.
[42] *Ibid.*, p. 13.
[43] See *Cong. Globe*, 42nd Cong., 1st Sess. (1871), Part I, pp. 232 *et seq.*
[44] J B. Moore, *op. cit.*, Vol. I, p. 279.
[45] *Ibid.*, p. 432.

later a similar observation was called out from him by a proposal to cede the peninsula or bay of Le Môle or the island of Tortuga.

During this period the diplomatic relations between the United States and Haiti were exceedingly friendly, and in the case of the Pelletier and Lazare claims the United States acted in a manner above reproach. Pelletier, a naturalized American, had been seized and imprisoned while cruising off the coast of Haiti in 1861, on evidence of being a slaver. Escaping, he demanded damages from the Haitian government, and his claim was brought up on various occasions until finally, in 1884, Haiti agreed upon arbitration. Mr. William Strong, a former justice of the United States Supreme Court, was appointed sole arbiter, and he awarded Pelletier $57,250 instead of the two and one-half millions that he demanded. Haiti protested against making any payment, and when the case was brought before Mr. T. F. Bayard, Secretary of State, he declared the claim of Pelletier against Haiti on the facts exhibited "must be dropped, and dropped peremptorily and immediately, by the government of the United States, . . . first because Haiti had jurisdiction to inflict on him the very punishment of which he complains, and secondly because his cause is of itself so saturated with turpitude and infamy that on it no action, judicial or diplomatic, can be based." [46]

The Lazare claim was for a breach of contract in the establishment of a national bank in Haiti. Here again the award of $117,500 rendered by Mr. Strong was set aside on the ground that new evidence showed the claim to be invalid, and that "the moment the government of the United States discovers that a claim it makes on a foreign government cannot be honorably and honestly pressed, that moment, no matter what may be the period of the procedure, that claim should be dropped." [47] In his message to Congress on May 12, 1887, President Salomon declared that such sentiments did honor to the statesmen who had so well expressed them.[48]

Friendly relations between the United States and Haiti were

[46] *Sen Ex Doc No 64*, 49th Cong., 2nd Sess., p. 20, or *Foreign Relations of the United States*, 1887, pp. 593 *ff.*

[47] *Ibid.*, p. 33.

[48] *Ibid.*, 1887, p 629

suddenly interrupted in 1888 by the seizure of an American steamship, the *Haitian Republic,* as she was leaving Saint Mare, on the ground that an effective blockade was being maintained. The reasons for the blockade were as follows: President Salomon's seven-year term ended in 1887. But he had been so successful that the constitution was modified and he was reëlected for another seven years. This brought about a revolution leading to his withdrawal in August, 1888, followed by a period of anarchy, in which one faction controlled the north and another the south. The *Haitian Republic* had, it was claimed, transported various armed members of the Hyppolite, or northern, faction while touching at the ports of the north and northwest, and on this ground it was seized while in waters patrolled by the Légitime, or southern, faction. The United States protested vigorously against the seizure, saying that, since no notice of blockade had been given, the blockade was not effective; that the prize tribunal was irregularly constituted; and that the carrying of passengers who might have been armed between the vessels' ports of call did not constitute complicity in Haitian disorders. When the Haitian authorities refused to give up the ship, the United States sent two warships to Port au Prince; whereupon the disputed vessel was surrendered to the American commander.[49]

The Légitime faction, which had been hostile to the United States, was finally overthrown, and Hyppolite was elected president. Whether the United States had ever done more than manifest sympathy for the Hyppolite side the published records do not show. But about a year after the inauguration of President Hyppolite (January 26, 1891), Rear-Admiral Gherardi arrived at Port au Prince as special commissioner to obtain the Môle St. Nicholas as a coaling station for the United States, and used as one of his arguments the services rendered by the United States to the Hyppolite revolution.[50] Popular opinion, aroused by the sight of an American fleet in the harbor, was so strongly opposed that after several months of fruitless negotiations, in which such

[49] For details see *Sen. Ex. Doc. No. 69,* 50th Cong., 2nd Sess., particularly pp. 171-176; also *For. Rel of U. S.,* 1888, pp. 932-1006; and 1889, pp. 487-494.

[50] Fred. Douglass, "Haiti and the United States," *North Amer. Rev.,* Vol. CLIII (Sept., 1891), p. 343. See also J. B. Moore, *op. cit.,* Vol. I, p. 610.

technicalities as the form of the commissioner's credentials played a leading part, the United States gave up the idea. Secretary Blaine then turned towards the Dominican Republic and proposed to lease Samana Bay. But at the mere disclosure of the proposal the Dominican Secretary of State, General Gonzales, was forced to seek safety in exile. This was the last attempt made by the United States to obtain a naval station in the Caribbean until the war with Spain created new conditions and raised new problems.

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CHAPTER XII

AMERICAN IMPERIALISM IN HAITI AND SANTO DOMINGO

BEFORE considering the next and more serious intervention of the United States in the affairs of Haiti and Santo Domingo, it is necessary to say a word regarding the internal history of the two island republics. Sir Spencer St. John, British minister to Haiti for a period of years, called its government "a despotism tempered by revolution and exile and occasionally by death."[1] Beginning with Dessalines in 1804, and surveying the political history of Haiti for a century, we find some twenty different presidents, of whom two were shot, one committed suicide, six were exiled, and several others were overthrown or forced to resign. The Dominican Republic can hardly boast of a better record than its unstable neighbor. In fact, in its checkered history of revolution and counter-revolution, in its unending procession of presidents *de jure* and *de facto,* the Spanish end of the island stands well towards the top in any list of revolution-tossed republics. From 1844 to 1904 we find more than twenty different presidents, in spite of the fact that Heureaux served as president for fourteen years and Baez held office on five different occasions.[2]

No nation can maintain its credit under such conditions, and when Carlos Morales was inaugurated president of the Dominican Republic in 1904 the government was hopelessly bankrupt. The claims against the government were estimated at anywhere from thirty to forty million dollars. Inasmuch as many of the creditors were Europeans, who constantly urged their governments to intervene, the United States was compelled to keep in close touch with the situation. Furthermore, the United States was virtually forced to intervene in the case of the San Domingo Improvement Com-

[1] Spencer St. John, *Haiti* (London, 1889), p. 272.

[2] See the "Chronology of Political Events in Santo Domingo," prepared by Minister T. C. Dawson, *Foreign Relations of the United States,* 1906, pp. 572-600.

pany. This American corporation had taken over the holdings of a Holland corporation in 1892, and was authorized by the Dominican government to take over certain custom-houses, with the understanding that a stipulated amount should be paid to the government and the rest devoted to the payment of interest and sinking fund of the loan. In 1901 the Dominican government became dissatisfied with the arrangement and repudiated it. The company appealed to the United States, but the State Department urged a settlement by private negotiations. After much haggling, the Dominican government finally offered $4,500,000 for the company's interests; and the proposal was accepted.[3] Representatives of the two governments signed a protocol on January 31, 1903, providing for the settlement, and for a board of arbitrators to fix the details of payment.[4] The board fixed the interest rate at 4 per cent, designated the monthly payments, and secured them by the customs, revenues, and port dues of the ports on the northern coast. In case of failure to pay, a financial agent of the United States was authorized to take over certain custom-houses and carry out the award.[5]

The Dominican government never made any payments, and in compliance with the terms of the award an American financial agent took over the custom-house of Puerto Plata, October 21, 1904. This move aroused the foreign creditors, and in December of this year the French threatened to seize the custom-house of Santo Domingo City; the Italian interests also demanded the payment of their claims. Secretary Hay thereupon instructed the American minister to Santo Domingo, Mr. T. C. Dawson, to sound out the insular president as to whether the Dominican government would be willing to request the United States to take charge of the collection of duties, with a view to an equitable distribution of the proceeds among the claimants and the Dominican govern-

[3] President Theodore Roosevelt in a message to the Senate Feb. 15, 1905, gives a complete summary of the financial and political difficulties of the republic, *ibid.*, 1905, p. 334, see also the more detailed report of J. B. Moore, *ibid.*, p. 344.

[4] For text of the protocol see *For. Rel. of the U. S.*, 1904, p. 270.

[5] *Ibid*, p. 274

ment.[6] President Morales was by no means averse to such a solution, and on February 4, 1905, a protocol was signed which provided that the United States should take over all the custom-houses, turn over to the Dominican government 45 per cent of the amount collected for its expenses, and use the other 55 per cent to liquidate the republic's foreign and domestic debt. The United States further agreed to grant the little republic any assistance deemed necessary "to restore the credit, preserve the order, increase the efficiency of the civil administration, and advance the material progress and welfare of the Dominican Republic." [7]

When the protocol came before the Senate, President Theodore Roosevelt urged that assent be given to its ratification, on the ground that "those who profit by the Monroe Doctrine must accept certain responsibilities along with the rights which it confers." [8] The Senate did not seem to appreciate these responsibilities and gave no indication of an intention to give its consent. The President thereupon sent another special message, dated March 6, appealing for immediate action. The Senate adjourned, however, without acting, and the situation in Santo Domingo became so alarming that President Roosevelt decided to carry out the arrangement as an executive agreement. Mr. J. H. Hollander was appointed as confidential agent to examine and report on the financial conditions in the republic, and the Secretary of War, Mr. Taft, was authorized to nominate the necessary officials to collect the customs.[9] Santo Domingo accepted the *modus operandi,* and in his message to Congress on December 5, 1905, the President declared that a temporary arrangement had been made which would last until the Senate should take action on the treaty. He also asserted that under the course taken "stability and order and all the benefits of peace are at last coming to Santo Domingo, danger of foreign intervention has been suspended, and there is at last a prospect that all creditors will get justice." [10] The Senate did not take very kindly to this alleged executive usurpation, and

[6] *Ibid.,* 1905, p. 298.
[7] *Ibid.,* p. 342
[8] *Ibid.,* p. 334
[9] *Ibid.,* p. 360.
[10] *Ibid.,* p. xxxvi

Senator Tillman violently arraigned the President for his unconstitutional abuse of authority.[11] The *modus operandi*, however, brought order out of chaos, and the Dominican government received more money from the 45 per cent turned over by the American officials than they had previously obtained when collecting 100 per cent for themselves.[12]

After a careful investigation, Professor Hollander found that the claims pending against the Dominican Republic on June 1, 1905, amounted to more than $40,000,000.[13] Of this amount, the government recognized about three-fourths as valid. But a plan was finally evolved for scaling down this amount to about $17,000,000, based upon a cash payment. The funds were to be obtained by the flotation of an issue of fifty-year 5 per cent bonds to the amount of $20,000,000. An American receiver of customs appointed by the President of the United States was to collect all customs duties until the bond issue should be redeemed; and the Dominican Republic was not to increase its public debt until full payment should be made. A convention to this effect was signed on February 8, 1907. This time, the Senate was willing to assent; and the convention went into effect on July 25.[14]

The Dominican officials themselves could not fail to realize the immediate benefits of American control, and in his annual report for 1906, Señor Velasquez, the Dominican Minister of Finance and Commerce, bore witness to the advantages gained: "The items of revenue during 1905 and those of 1906 speak clearly, with renewed eloquence, of figures, that for some time past we have been living in the public posts a life of order and honesty, where but a few years ago life with few exceptions within and without the national palace was one of shamelessness, dilapidation, cupidity, and permanent disgrace for the Republic, being the principal cause, if not the only one, why our weak state has felt itself more than once

[11] See speech of Jan. 17, 1906, *Cong. Rec*, Vol 40, Part II, pp. 1173 *ff*.

[12] Minister Dawson's memorandum of July 1, 1905, gives an excellent account of the events preceding and the results following the application of the arrangement; *For. Rel. of the U S.*, 1905, p 378

[13] See Report of J H. Hollander (Washington, D. C, 1907), or *Quar. Jour. of Economics*, Vol XXI (July, 1907), p. 405.

[14] Text in *For. Rel of the U. S.*, 1907, p. 307.

trembling on the brink of the abyss, and that for a long time we have found ourselves lacking in economic autonomy, overweighed by debts, unjustifiable for the greater part, suffering insults and humiliations." [15]

The convention of 1907 remained unchanged until 1924; and if the "eloquence of figures" is a fair basis of judgment, the effect of the arrangement has been all that could be desired. The table below, made up from figures submitted in the annual reports of the general receiver of Dominican customs to the bureau of insular affairs in the War Department, summarizes the results.[16]

Despite the remarkable financial and commercial improvement due to American control of the customs, the internal history of the Dominican Republic failed to show much improvement. General Ramón Cáceres, who was elected president in 1908, and whose administration was eminently successful, was shot down in cold blood by a group of political enemies in November, 1911. A

FOREIGN TRADE AND CUSTOMS COLLECTION OF THE DOMINICAN REPUBLIC *

YEAR	IMPORTS	EXPORTS	COLLECTIONS BY GENERAL RECEIVERS	VALUE OF TRADE WITH U S
1911	$ 6,949,662	$10,995,546	$ 3,433,738.92	$ 9,871,947
1916	11,664,430	21,527,873	4,035,355.43	27,574,786
1921	24,585,327	20,614,048	2,859,866.40	31,866,711
1926	23,677,533	24,895,871	4,714,405.25	20,006,604
1931	10,151,762	13,067,162	2,883,446.92	9,310,422
1936	9,926,567	15,149,908	2,878,789 07	9,366,817
1939	11,592,166	18,643,302	3,031,455 64	11,912,960†

* The collections by the general receiver were by convention years to Aug. 1, 1914, but starting with Jan. 1, 1915, they have been by calendar years For the 5-month period Aug. 1, 1914, to Dec. 31, 1914, receipts were $1,209,555.54. The imports and exports are by calendar years

† Report of fiscal periods 1911, 1916, 1921, 1926, 1931, 1936, 1939, Dominican Customs Receivership.

provisional government was immediately established, but it could scarcely maintain itself against the revolutionary outbreaks. In

[15] *Ibid.*, p. 357.

[16] The report for 1939, the last to be made, was submitted to the newly established Division of Territories and Island Possessions in the Department of Interior.

the fall of 1912 President Taft appointed two special commissioners to investigate the situation and recommend measures calculated to put an end to the difficulties. They were to make the trip on an American gunboat, accompanied by 750 marines, who were to be at hand to protect the custom-houses.[17] In accordance with the suggestions of these commissioners, the insular president resigned, and the Dominican congress elected as new president Archbishop Nouel, a man loved and respected throughout the country. He did his best to bring order to the distracted land; but his health could not stand the strain, and on March 31, 1913, after serving exactly four months, he resigned.

Another period of revolutionary activity followed, and in a note dated September 9, 1913, Secretary Bryan declared that the influence of the United States would be exerted for the support of lawful authorities and for the discouragement of any and all insurrectionary methods, and that President Wilson had no sympathy with those who sought to seize the power of government to advance their own personal interests.[18] The American minister finally prevailed upon the revolutionary forces to lay down their arms, upon the promise of a fair election in the near future. It should be noted however that Minister Sullivan's influence was considerably vitiated by his unauthorized promises to the revolutionists and his inexcusable participation in local party politics. He had deservedly lost the confidence of the State Department and was under suspicion of questionable financial practices by the Dominican government.

When the United States government appointed three commissioners to observe the elections, the Dominican government in power protested vigorously. The commissioners were properly received, but their presence did not prevent the government from arresting six leaders of the opposition on the grounds of conspiracy.[19] Except for this incident, which completely demoralized the power of the opposition, the elections were very peaceably conducted. In 1914 there was a repetition of the same conditions,

[17] *For. Rel. of the U. S.*, 1912, p. 366.
[18] *Ibid*, 1913, p. 425.
[19] See report of the commission, *ibid.*, p. 449.

and again the United States sent commissioners and the elections were held. Ex-President Jiménez was successful, and for a little more than a year he maintained the peace. In April, 1916, a new insurrection took place, and this time the United States, with the consent of the insular president, landed marines to maintain order. Shortly afterwards President Jiménez resigned and the Dominican congress elected Dr. Henríquez y Carvajal as temporary president.[20]

On the ground that the terms of the convention of 1907 had been repeatedly violated, the United States, however, refused to recognize the new president unless he would sign a new treaty, which should provide for the collection of customs under American auspices, the appointment of an American financial adviser, and the establishment of a constabulary force under American officers. President Henríquez refused to accept recognition on these terms, and the United States declined to pay over any revenue to an unrecognized government. Rear-Admiral Knapp finally broke the deadlock by issuing a proclamation, on November 29, 1916, declaring the Dominican Republic under the military administration of the United States. The proclamation recited that there was no intention to destroy Dominican sovereignty, but merely to restore and maintain order and carry out the terms of the convention of 1907.[21] To accomplish this, Rear-Admiral Knapp suspended the Dominican congress and, in the capacity of governor-general, appointed American naval officers to the various cabinet positions.

Colonel George C. Thorpe, who for almost two years acted as chief of staff of the brigade of marines in the occupation of the republic, thus summed up the mission of the military government: "(1) to promote education, primary and vocational; (2) to build roads; (3) to create an effective police force; (4) to cultivate a regard for law and order; (5) to place property rights on a firmer basis, particularly as to land titles; (6) to stabilize the

[20] A brief accurate sketch of these events is found in Judge Schoenrich's *Santo Domingo* (New York, 1918), Chap. VI; see also report of Rear-Admiral Snowden, *Conditions in Santo Domingo*, in report of Secy. of Navy, 1920, pp. 321-342.

[21] For text of the proclamation and American version of the situation leading up to it see *Hearings before a Select Committee on Haiti and Santo Domingo*, U. S. Senate, 67th Congress, 1st Sess., Washington, 1922, Part I, pp. 90-94; the Dominican version is given by President Henríquez, *ibid.*, pp. 51-60.

finances of the country; (7) and at the same time to respect Dominican institutions and sentiments as far as might be." [22]

It would appear that the United States made a conscientious effort to carry out this program. In his report of October 23, 1920, to the Secretary of the Navy, Admiral Snowden noted some of the benefits of American rule. Where formerly it cost the internal revenue department 14 per cent to collect about $700,000 annually, it was costing but 5 per cent to collect almost $4,500,000.

In four years of occupation more than 400 miles of roads were constructed, about one-fourth of them macadam. More than a score of bridges were built, and of them seven were large steel bridges and eight were concrete. New piers, a new custom-house at Santo Domingo City, new wharves, and other port improvements were built. In fact, a summary of amounts used by the department of public works from 1909 to 1916 shows an average annual expenditure of about $400,000; while the average expenditure annually from July, 1917, to June 30, 1920, was more than $1,250,000. Reforms in other directions were equally noteworthy. The railroads for the year 1916-17 hauled 27,866,635 kilos of freight, and the net earnings were $49,750.63. In the year 1919-20 50,272,506 kilos of freight were hauled, and the net earnings were $217,039.74. Before the military administration there were about 18,000 pupils in all schools; in 1920 there were more than 100,000. The reforms instituted in sanitary methods and public health conditions were of particular value to the people.[23]

Yet, in spite of the noteworthy improvements due to American rule, the Dominicans were by no means content under it, and in many respects they had serious grounds for complaint. Their civil and political liberties were completely taken away by the American military government; numerous cases of unjust imprisonment were proved against the American provost courts; the water torture and other more horrible methods were employed at times by the marines; and a strict and humiliating censorship of the press was

[22] G. H Blakeslee [ed.], *Mexico and the Caribbean* (New York, 1920), p. 233.

[23] *Report of the Secretary of the Navy, 1920,* pp. 321-342, see also memorandum prepared for Sen. Com. Hearings, *op cit.,* Part I, pp. 96-104

maintained during the greater part of the American occupation.[24] When, finally, even the economical and financial program of the military administration was suspended through lack of funds, the discontent became so pronounced that during Secretary Colby's visit to South America the Wilson administration on December 23, 1920, authorized Rear-Admiral Snowden to issue a proclamation announcing that "the United States believes the time has arrived when it may, with a due sense of its responsibility to the people of the Dominican Republic, inaugurate the simple processes of its rapid withdrawal from the responsibilities assumed in connection with Dominican affairs." [25] The only conditions attached were that a commission of Dominican citizens should be appointed, with an American technical adviser who should formulate certain amendments to the constitution and a general revision of the laws. The Dominicans, however, protested vigorously against these conditions, and the situation was turned over to the Harding administration virtually unchanged.

As a candidate, President Harding had promised to take action, and he did not delay. On June 14, 1921, Admiral Robison, who had been appointed military governor to succeed Admiral Snowden, issued a proclamation promising withdrawal within eight months, providing the Dominicans would coöperate with the Americans in establishing a government able to maintain independence and public order and to assure security of life and property. The principal conditions of the convention of evacuation were: (1) the acts of the military government should be ratified; (2) a new loan of $2,400,000 to complete the public works should be validated; (3) the duties of the general receiver of Dominican customs should be extended to apply to this loan, and also to the collection and disbursement of a part of the internal revenues if the customs were insufficient to meet the service of the foreign debt; and (4) an efficient *Guardia Nacional* should be organized under the direction

[24] See summary of abuses in the letter of Archbishop Nouel to Minister Russell, dated December 29, 1919. (*Nation*, July 17, 1920, gives excerpts), see also the protest of President Henríquez, *Current History*, Vol. XIV (June, 1921), p. 397.

[25] Text *Hearings before a Select Committee on Haiti and Santo Domingo*, Part III, p. 934.

of an American military commission.[26] Again the Dominicans protested, and certain of the objections were met by a new statement issued by Secretary Hughes on June 28. The military government thereupon promulgated an electoral law, and the elections were set for August 13. The Dominicans were not yet satisfied; and they organized a "Junta of Electoral Abstention," which prevented the elections from being held.

In the meantime the question had come before Congress, and a Senatorial investigating commission was appointed, with Senator McCormick as chairman. The commission spent about a fortnight in the island, and in a preliminary report Senator McCormick declared that inasmuch as the political leaders in the Dominican Republic had rejected the proposals for the withdrawal of the American forces, and since at the present time it was impossible to advise a substantial modification of the terms of the proclamation, the American troops should not be removed.[27]

Early in 1922, however, numerous conferences were held in Washington between Secretary Hughes and Señores Velásquez, Vásquez, Brache, and Peynado, the first three representing the different political parties in the Dominican Republic, the latter being the former Dominican minister at Washington. The following program was finally agreed upon:

(1) A Provisional Government of Dominican citizens selected by Dominicans will be installed to carry out such legislative and constitutional reforms as they may deem appropriate, and to hold general elections for the installation of a subsequent permanent government without the intervention of the authorities of the United States.

(2) Upon the inauguration of the Provisional Government, the executive departments of the Dominican Republic will be turned over to the cabinet ministers appointed by the Provisional President; the Military Government will also turn over the National Palace, and at the same time the United States military forces will be concentrated in one, two, or three places as the Military Governor may determine. From that time peace and order will be maintained by the Dominican national police under the orders of the Provisional Government.

(3) Dominican plenipotentiaries will be designated by the Provisional Government to negotiate a convention with the United States containing

[26] *Ibid.*, Part I, p. 102.
[27] *New York Times*, Dec. 26, 1921.

the following provisions: (*a*) Recognition by the Dominican government of all executive and department orders promulgated by the Military Government, contracts entered into in accordance with these orders, and specific recognition of the bond issues authorized in 1918 and in 1922; (*b*) the convention of February 8, 1907, shall remain in force so long as any bonds of the issues of 1918 and 1922 shall remain unpaid, and the duties of the general receiver shall be extended to include the collection and application of the revenues pledged for the service of these issues.

(4) Upon this convention being approved by the national congress and constitutional president duly elected, the American military forces will immediately leave the Dominican Republic.

In order that the United States might be advised without delay whether this agreement met with the approval of a majority of the Dominican people, President Harding appointed Mr. Sumner Welles of New York, a former Chief of the Division of Latin-American Affairs in the State Department, as commissioner, with the rank of envoy extraordinary and minister plenipotentiary, to represent him in the Dominican Republic, for the purpose of investigating and reporting upon conditions there, and to obtain the views of the Dominican people respecting an appropriate agreement with the United States as a result of which the military forces of the United States might be withdrawn.[28]

A current and unbiased survey of the whole situation is found in the report of Dr. Carl Kelsey, of the University of Pennsylvania, who was selected by the board of directors of the American Academy of Political and Social Science to undertake a survey of the economic, social and political conditions in Haiti and the Dominican Republic. He spent nine months in the island, and his report contains a wealth of valuable material about conditions on the island at that time. In his conclusions regarding the Dominican Republic he found that, although the Dominicans were not antagonistic to Americans, they were critical of the policy of our government. They felt that the troops were sent either under false pretenses or through error. They recognized their economic dependence upon the United States, and they would have welcomed better

[28] *Ibid*, July 12, 1922 Mr. Welles later published a complete narrative of the events of this period in his book, *Naboth's Vineyard: The Dominican Republic, 1844-1924* (New York 1928).

trade relations. But the United States had promised to withdraw under certain conditions, and the pledge had to be kept if the conditions were accepted [29]

Secretary Hughes himself recognized the false position in which the United States found itself in the Dominican Republic, and in a speech delivered at Amherst College in June, 1924, he asserted that "no step taken by the government of the United States in Latin-America in recent years has given rise to more criticism, and in this instance just criticism, than the military occupation of the Dominican Republic by the armed forces of the United States in 1916 . . . it is the belief of many that the military occupation would have never occurred had President Wilson had the opportunity or the time in the excitement of that period, to become fully cognizant of the causes of the situation existing in the Dominican Republic. Likewise it is improbable that he was informed of many of the occurrences which took place in the Dominican Republic during the earlier years of the American occupation,—occurrences deeply to be regretted by every American citizen." [30]

However, in this same speech Secretary Hughes was able to state that the occupation had terminated and that a freely elected constitutional government was at the time in sole power. For although the marines were not withdrawn until September, 1924, an election supervised by the United States officials had taken place on March 15, 1924, approving the plan of evacuation signed at Washington on June 30, 1922. Shortly afterwards, pursuant to the agreement of 1922, a convention of ratification or validation of all executive orders and resolutions promulgated by the military government was signed by the two governments. This treaty also specifically recognized the bond issues of 1918 and 1922 as irrevocable obligations of the Republic, and provided that no change should be made in the customs tariff without previous agreement between the Dominican government and the United States. The

[29] "The American Intervention in Haiti and the Dominican Republic," *Annals of Amer. Acad*, Vol. C, No 189 (March, 1922), pp. 109-200, found also in *Hearings before a Select Committee on Haiti and Santo Domingo*, Part 4, pp. 1279-1341; see also Dr. Kelsey's statement before the Senate Committee, *ibid*, pp. 1238-1277.

[30] *New York Times*, June 19, 1924.

convention of 1907 was to remain in force until both bond issues were paid and the general receiver of customs was to control the revenues pledged to these services.[31]

However, it had long been felt that the 1907 convention was forcing too large an amount of income to be used for the amortization of the loan at the expense of various projects of public works vital to the development of the country. Consequently on December 27, 1924, a new convention was signed revising the convention of 1907. The new agreement contemplated the floating of a loan of $25,000,000 to refund all outstanding loans and to leave a surplus of some $10,000,000 "to be devoted to permanent public improvements and to other projects designed to further the economic and industrial development of the country." The agreement made no change in the arrangement whereby the customs were to be administered by a general receiver appointed by the President of the United States, and it also provided that until the whole amount of the bonds should be paid the public debt should not be increased except by previous agreement with the United States.[32]

However, there arose in the island considerable opposition to the new agreement on the ground that the new loan would prolong the control of the United States for a period of time ranging from twenty-five to a hundred years. Some seventeen of the thirty members of the Chamber of Deputies signed a "pact of honor" not to approve the convention. Nevertheless, when three of the "pacta" group went over to the government, the convention was approved and ratifications were exchanged on October 24, 1925.

During the next few years both political and economic relations in the Dominican Republic were eminently satisfactory. President Vásquez, elected for a six-year term in 1924, was both able and popular and if his health had not become seriously impaired he might well have been reëlected. However, while he was undergoing treatment in the United States in the fall of 1929 serious differences arose between Vice-President Alfonseca and General Rafael Trujillo, commander-in-chief of the army. Although Presi-

[31] *U. S. Treaty Series,* No 729.
[32] *Ibid.,* No. 726.

dent Vásquez upon his return reëstablished harmony, his feeble health and advanced age manifestly impaired his efforts to secure reelection. In February, 1930, a revolution broke out led by Estrella Ureña which was quickly successful, and to avert bloodshed President Vásquez resigned and through mediation of the American legation, Ureña became provisional president. In the elections held May 16, 1930, General Trujillo was elected President for a four-year term and Estrella Ureña was chosen Vice-President.

Before the end of his term President Vásquez had attempted to put into effect a complete reorganization of the economic and financial administration of the government. To assist him he had invited General Charles G. Dawes to organize a financial commission to recommend methods of improvement in the collection and control of both national and municipal revenues. The commission after a three-weeks' study in the island prepared drafts of laws for a budget, for a general accounting, for finance, for the reorganization of the government departments and for a civil service.[33] Although the Dominican Congress enacted all of the program into law the downfall of the Vásquez administration nullified its enforcement.

The administration of President Trujillo was handicapped from the beginning by the results of the terrific hurricane of September 3, 1930, which caused a considerable loss of life and enormous property damage. This, coupled with the world economic crisis, forced a revision of the debt payments under the 1924 convention to prevent complete national bankruptcy. An emergency law of October 23, 1931, diverted to governmental expenses $1,500,000 from customs revenues which were pledged to service on the foreign loans. The United States Department of State immediately ordered an investigation, but when the serious situation was confirmed by its representatives, it contented itself with following "with attention and care the developments in the Dominican Republic.[34]

In 1934 a new arrangement was made with the Foreign Bondholders Protective Council, Inc., an organization sponsored by the

[33] *Report of the Dominican Economic Commission* (Chicago, 1929).
[34] U S Department of State, *Press Releases*, Nov. 14, 1931, p. 454.

United States government, whereby the General Receiver of Customs was given greater powers, interest payments were to be made in full, while amortization payments were reduced so that maturities for the two bond issues originally set for 1932 and 1940 would be extended respectively to 1962 and 1970. This very substantial reduction in debt payments permitted the Dominican government to balance its budget annually.

Negotiations for a revision of the 1924 convention were begun in 1936, and a new treaty was signed in Washington September 24, 1940, and ratifications exchanged March 10, 1941. The new arrangement superseding the 1924 treaty abolished the General Receivership of Dominican customs and permitted the Dominican government instead of an outsider to collect the customs' revenues. These were to be deposited in a bank selected by mutual consent and placed under the obligation to service first the public debt. The Foreign Bondholders Protective Council protested the agreement, although it was given a representation in the depository bank. By an exchange of telegrams between the two governments the Ciudad Trujillo branch of the National City Bank of New York was selected as the sole depository bank. With the convention of 1940 in force the United States was at last free from all governmental checks or controls over the Dominican Republic.[35]

The political record of the Trujillo administration has not been immune to widespread criticism. It has been alleged that President Trujillo has established a dictatorship under which political opponents are kept impotent by a régime of repression and terror. Exile, disappearance, imprisonment and assassination have been employed to wipe out all opposition.[36] By the end of 1931 the President was so completely in control of the political situation that his own Dominican party was the only political party functioning, and his reelection in 1934 was uncontested. With Congress completely subservient to his wishes, President Trujillo proceeeded to show what could be accomplished by the "Benefactor of the Nation." He rebuilt Santo Domingo City, whose name was

[35] For text see *U. S. Treaty Series*, 965.

[36] See Charles A. Thomson, "Dictatorship in the Dominican Republic," *Foreign Policy Reports*, Vol. XII, No. 3 (April 15, 1936).

changed to Ciudad Trujillo in his honor, he carried out a vast program of public works, he successfully encouraged agricultural production and he revised and improved the entire public school system.[37]

In his relations with the neighboring Republic of Haiti, President Trujillo began auspiciously by endeavoring to settle the boundary question which had remained a threat to friendly relations since 1874. A treaty establishing a boundary commission had been signed January 21, 1929, but the commission had not been named. However, by personal meetings with President Vincent of Haiti held in both countries from 1933 to 1935 a settlement was finally reached and the commission was named and set to work. Friendly relations between the two countries were seriously disturbed, however, by reports published in October, 1937, that there had taken place on the border a wholesale massacre by Dominican soldiers of Haitian peasants who had crossed into Dominican territory in search of work. The Haitian government immediately asked for an investigation, punishment of the guilty, indemnification for the victims and assurances of protection in the future. When a month elapsed without a satisfactory settlement President Vincent on November 12, 1937, appealed to the Presidents of the United States, Mexico and Cuba to use their good offices to attempt a settlement of the question. The three governments accepted the invitation and informal hearings were held in Washington. The Dominican Republic was at first inclined to insist upon a direct settlement between the two governments, but on December 18 President Trujillo accepted the invitation of the permanent commission set up under the Gondra treaty to participate with Haiti in an effort to settle by conciliation the dispute over the border killings. On December 20 President Franklin D. Roosevelt sent a telegram of gratification to President Trujillo for his acceptance of the peaceful procedure for the settlement of the dispute.

An agreement settling the controversy was signed on January 31, 1938, at Washington, D. C., by representatives of the two gov-

[37] For an eulogistic account of the achievements of President Trujillo see Laurence de Besault, *President Trujillo, His Work and the Dominican Republic* (Washington, D. C., 1936).

ernments. By the terms of this agreement the Dominican Republic agreed to pay an indemnity of $750,000 to Haiti and to abide by the findings of the Dominican tribunals which were to continue the inquiry into the incidents which led to the dispute. The Dominican Republic also agreed "to fix the responsibility of those guilty of instigating the incidents and to give the results of the investigation full publicity." [88]

As an antidote to these gruesome events the Dominican representative to the Intergovernmental Committee on Refugees, convened at Evian in the summer of 1938 at the suggestion of President Roosevelt, offered in behalf of General Trujillo a large tract of land in the Dominican Republic for the settlement of a contingent of European refugees. The Committee investigated the tract offered and found that it could be reached by an improved road, that it already had almost 500 acres cleared for farming or grazing, that adequate water was available, and that more than a score of houses had already been built by the former owner—the United Fruit Company.

The Dominican Republic Settlement Association was organized, and it brought over during 1939 about 500 refugees as a test example of the colonization scheme. The war prevented any further additions, and hardly enough time has elapsed to make a final decision as to the success. A survey of the project made in 1941 under the supervision of the Brooking's Institution presented a somewhat pessimistic report based partly upon the health conditions of the Sosua tract and partly upon the small amount of unoccupied land available on the Island.[89] Nevertheless it was felt that the generous offer of the Dominican government might stimulate other American governments to follow its example.

President Trujillo after his second term from 1934-1938 was succeeded by his henchman President Peynado. When the latter died in office in 1940, Vice-President Troncoso took over, but under the aegis of General Trujillo. The "Restorer of the Financial Independence of the Republic," as Trujillo was officially desig-

[88] *New York Times,* February 1, 1938.

[89] The Brookings Institution, *Refugee Settlement in the Dominican Republic* (Washington, D. C., 1942).

nated by the Congress in 1940, was reëlected President in May 1942 without any opposition. President Troncoso thereupon appointed the General to his cabinet and then resigned thus permitting Trujillo to become president immediately without violating the constitution of the Republic. Dr. Troncoso was subsequently appointed Minister to the United States.

Even before the outbreak of the war in Europe General Trujillo had offered all available facilities of the Dominican Republic in defense of the United States. After the attack on Pearl Harbor the Dominican Republic declared war upon Japan, December 8, and upon Germany and Italy, December 11. The war affected the economic situation of the Dominican Republic favorably rather than adversely. Sugar is the principal crop and the 1941-42 yield which exceeded the preceding year's production by over twenty per cent was purchased by the British government at 2.65 cents a pound—the same price the United States paid for the Cuban crop. The country is self-sufficient in foods, has increased its production of coffee, and has great possibilities in further increasing its production of cacao. Under suitable arrangements the Dominican Republic should be able to dispose of a very considerable part of its marketable surplus in the United States and Puerto Rico.

The recent relations of the United States with Haiti have been very similar to our relations with the Dominican Republic. After a protracted series of revolutionary outbreaks, the financial situation became so bad in 1914 that Great Britain, tired of being put off, sent an ultimatum demanding payment of an indemnity of $62,000; and shortly afterwards Germany and France demanded the control of the customs.[40] The European war averted European interference for the time being. But, with a view to preventing

[40] For a detailed survey of the history of this period see Arthur C. Millspaugh, *Haiti Under American Control 1915-1930* (Boston, 1931); also R. L. Buell, "The American Occupation of Haiti," *Foreign Policy Association Information Service* 1929, Vol. V, Nos 19-20; see also Mr. Lansing's letter to secretary Hughes regarding Germany's intentions in the Caribbean, *Sen Rep. No 794*, 67th Cong., 2nd Sess., Appendix B. For a detailed account of the financial difficulties see Paul H. Douglas, "The American Occupation of Haiti," *Polit. Sci. Quar*, Vol. XLII (June, 1927), pp. 229 *ff*. For a critical report of the American occupation by a group of American lawyers see *Cong. Rec.*, Vol. 62, pp. 8945 *ff*.

it permanently, Mr. Bailly-Blanchard, the American minister, presented to the Haitian government on December 10, 1914, a project for a convention similar to the agreement of 1907 with Santo Domingo, *i. e.*, providing for a customs receiver who should put the finances in order.[41] Fearing popular disapproval, the Haitian government refused, and the United States did not insist. In May, 1915, Mr. Paul Fuller, Jr., was sent as a special agent to Haiti with a new proposal. The United States now asked to protect Haiti against foreign attack and to aid in suppressing insurrection within, provided that Haiti would covenant that no rights or privileges concerning the occupation of Môle Saint Nicholas would be granted to any foreign government, and would agree to settle by arbitration the claims of American citizens.[42] Haiti accepted this proposal as a basis of negotiations, and early in June made a counter-proposal.

Meanwhile the internal conditions became so serious that Rear-Admiral Caperton was ordered to proceed to Cape Haitien with his cruiser. President Theodore had been killed, and President Guillaume-Sam was maintaining himself with difficulty. To secure himself, the latter had arrested a large number of influential citizens and political opponents, and when, in spite of this, an attack was made on his palace, he had them put to death. This so enraged the populace that they broke into the French legation, whither he had fled for refuge, shot him, cut his body into pieces, and dragged it about the town.[43] On the same day (July 28, 1915) Admiral Caperton landed marines at Port-au-Prince to protect the legation, and later he took over the custom-houses and other public services. In order to secure the coöperation of the Haitians, a presidential election was held on August 12 under American protection, and M. Dartiguenave was elected. Conditions continuing turbulent, on September 3, Admiral Caperton proclaimed martial law; and on September 16 a treaty was signed whereby the United

[41] *Hearings before a Select Committee on Haiti and Santo Domingo,* Part I, p. 6; text, p. 33. A similar proposal had been made on July 2, 1914, to the Zamor government, but no action was taken. *Foreign Relations of the U. S.,* 1914, pp. 347-350.

[42] *Ibid.,* p. 7.

[43] *Report of the Secretary of the Navy, 1915,* pp. 15-17; or the more detailed report of Brig.-Gen. George Barnett in the *Report of the Secretary of the Navy, 1920,* pp. 245 *ff.*

States established a virtual protectorate.[44] At first there was strong opposition on the part of the Haitian government to approving the treaty. But on November 11, 1915, the insular senate agreed to it. Considering the fact that Admiral Caperton, under Secretary Daniels' instructions, announced to the insular President and his cabinet that the United States would remain in control until the treaty was ratified, and that the funds collected at the customs would be available for the payment of salaries only after ratification, it is not surprising that the Haitian senate accepted the convention.[45]

The principal provisions of the convention were as follows: (1) the establishment of a Haitian receivership of customs under American control; (2) the appointment of an American financial adviser to assist in the settlement of the foreign debt and in other financial and commercial matters; (3) the organization of a native Haitian constabulary under the command of American officers, (4) the disarming of all revolutionary forces; and (5) a guaranty on the part of Haiti to cede no territory to any nation but the United States. The convention was to remain in force ten years, and was to be continued for another ten years if its objects should not have been satisfactorily accomplished within the briefer period.[46] In fact, on March 28, 1917, an agreement was reached to extend the treaty for an additional ten years, or to 1936, although the legality of the extension has been questioned, since it was approved by neither the Haitian Congress nor the Senate of the United States.

The convention was proclaimed on May 3, 1916, and remained in force until the treaty of 1932 became effective. The results, however, on the whole were less satisfactory than in the Dominican Republic. The list of grievances of the Haitians was a long one.[47] The United States was accused of not carrying out the terms of the convention, and of deliberately usurping the powers of civil government which the convention guaranteed to the Haitians. It was claimed that no attempt had been made to give the financial aid

[44] *Hearings,* pp 336, 344, 348.

[45] *Ibid.,* Part II, p. 394.

[46] *U. S. Stat. at Large,* Vol. XXXIX, Part II, p. 1654.

[47] See the memoir of the Union Patriotique d'Haiti, *Hearings before a Select Committee on Haiti and Santo Domingo,* Part I, pp 5-33.

promised by the United States, and that up to 1920 no attempt was made to pay interest on the foreign debt; there had also been but one payment on the internal debt. The Haitians asserted that the United States had backed the unconstitutional methods of Presidents Dartiguenave and Borno, had suppressed the Haitian legislature, and had prevented the drawing up of a more liberal constitution. Finally, they accused the marines of indiscriminate killing of Haitians and of employing cruel and inhuman treatment towards the natives upon numerous occasions, particularly in the establishment of the corvée or enforced labor on the roads.

Unquestionably, every one of these accusations was justified to a considerable extent; but, on the other hand, a careful investigation into the voluminous testimony shows that the American intervention has not deserved the bitter criticism that it has sometimes received. The military forces have not always carried out the provisions of the convention as promptly as they should,—Admiral Knapp, in his report, concedes this,—but only because of the desire to do the job quickly and well.[48] Some of the officers abused their power,[49] and there were also unlawful executions of prisoners,[50] but the guilty officials were immediately court-martialed and removed from the service. The corvée was used for a time as an emergency measure, but was subsequently discontinued.

When evidence of abuses was brought to the attention of the United States government, every effort was made to get at the truth of the situation. In the summer of 1920 Rear-Admiral Knapp was ordered by Secretary Daniels to make a special investigation. General George Barnett, who commanded the marines from June, 1915, to June 30, 1920, was asked to make a complete report, and this was followed by another by General Lejeune, who took over the command. In addition, Secretary Daniels appointed a court of inquiry headed by Rear-Admiral Mayo, and consisting of Rear-Admiral Oliver, Major-General Neville, and Major Dyer of the Marine Corps, to inquire into the alleged indiscriminate killings.

[48] Report of Admiral Knapp in *Report of the Secretary of the Navy, 1920*, p. 232.

[49] Report of Admiral Knapp in *Report of the Secretary of the Navy, 1920*, p. 227.

[50] Report of General Barnett, *ibid.*, p. 306.

of Haitians and unjustifiable acts by members of the United States naval service. Finally, there was the Senate investigation under Senator McCormick.

All of these reports show that abuses were the exception rather than the rule; and they indicate that the results of the American occupation have not been wholly bad. For instance, the customs collected for the fiscal year ending September 30, 1920, amounted to almost $6,500,000, exceeding by more than $1,000,000 the entire revenue collected in any of the five years before the intervention.[51] But the improvement in living conditions was perhaps the greatest achievement of the American intervention. The Rev. Charles Blaney Colmore, bishop of Puerto Rico and Haiti, writing in 1917, thus characterized it: "The marines have literally taught the Haitians how to live decently. Before their coming, sanitation, save in the crudest and most unsatisfactory forms, was unknown; fevers and epidemics were as plentiful as revolutions; a press gang was in vogue, and the country was the victim of continuous uprisings engineered by political scoundrels. . . . The entry of the United States marines ended this sorry story. . . . Sanitary systems had been installed, the towns had been cleaned up, former idlers and revolutionists were working happily for living wages, and a new spirit was animating the people. . . ." [52] Bishop James Craik Morris, writing in 1920, after visiting every important city on the island, declared: "The only opposition to Americans in Haiti is political opposition. In the southern part of the island, particularly on the peninsula, the American occupation is regarded as the salvation of the people. I heard this opinion frequently. I had under me twelve native clergymen, and neither from them nor from the many other natives I talked to did I hear one word of condemnation of the acts of the American Marine Corps." [53]

Bishop Morris appears to have struck at the very heart of the difficulty—the opposition was chiefly political. But could the United States afford to disregard political opposition? It would be impossible to do so and still adhere to the policy that has been

[51] Report of Admiral Knapp, *ibid.*, p. 228.
[52] Cited in report of Gen. Barnett, *ibid.*, p 275
[53] *Report of the Secretary of the Navy, 1920,* p. 319.

so consistently maintained in our relations with weaker states. Nor did it seem feasible at the time for the United States to withdraw immediately and completely from the Republic. In the preliminary Senate report on Haiti, Senator McCormick declared that "the members of the committee are unanimous in the belief that the continual presence of the small American force in Haiti is as necessary to the peace and development of the country as are the services to the Haitian government of the American officials appointed under the treaty of 1915. There can be no abrogation of the treaty, and at this time no diminution of the small force of marines." [54]

Although the report of the Senate Committee gave full credit to the American administration for its establishment of peace and order and for the excellent results obtained through the improvement of sanitary conditions and the construction of highways, nevertheless it criticized the United States for its failure to develop a definite, constructive policy and for its failure to select men for service in Haiti who were sympathetic to the Haitians and able to maintain cordial relations with them. As a remedy for this situation the Committee recommended that a High Commissioner be sent to Haiti to act as the American diplomatic representative and at the same time exercise a direct supervision over the treaty officials. In accordance with this suggestion Brigadier General John H. Russell was appointed American High Commissioner in February, 1922, and placed under the jurisdiction of the Department of State.

A few months later the Haitian Council of State elected as President of the Republic Mr. Louis Borno, who immediately signified his intention of coöperating wholeheartedly with the new High Commissioner. As a result the financial situation improved, the American military courts ceased to function, the Haitian constabulary was efficiently organized, new highways were constructed, the Public Health Service built modern hospitals and held free

[54] *New York Times*, Dec. 25, 1921. For Haitian opinion on the investigation see the address of Prof. Pierre Hudicourt in Washington, Feb. 2, 1922, *Cong. Record*, Vol. 42 (May 19, 1922), p. 7857. The detailed findings and recommendations are found in *Sen. Rep. No. 794*, 67th Cong., 2nd Sess.

clinics, and in 1924 a new technical service created a system of vocational and agricultural instruction.[55]

Nevertheless, the government of Haiti was under the complete domination of the American occupation; the American High Commissioner virtually controlled all political matters, while the American Financial Adviser dictated financial policies. Although a new constitution had been given to the Haitians in 1917—Franklin D. Roosevelt wrote it and confesses that it is a good one[56]—no elections had been held under it, nor had there been any session of the Haitian Congress since the American occupation had begun. The former ruling classes resented keenly the control of the public administration by representatives of a foreign power. President Borno, who had been reëlected by the Council of State in 1926, had become very unpopular among the politicians because of his cordial coöperation with the United States. Matters reached a climax towards the end of 1929 when the students at Port-au-Prince inaugurated a strike because the government had reduced the annual scholarship allotment.[57] The political parties took up the question and at Aux Cayes, a small seaport about a hundred miles from Port-au-Prince, on December 7, a mob of Haitians attacked the American marines, who repulsed them, killing six and wounding some twenty-eight more.[58]

In his annual message to Congress sent on December 3, 1929, President Hoover had already indicated his desire of sending a commission to Haiti to obtain the necessary information to formulate a more definite policy. The outbreak on December 7 caused him to send a special message to Congress the same day requesting the authority to despatch a commission immediately. Congress approved, and in February, 1930, a commission headed by W. Cameron Forbes was instructed to investigate and report when and how we could withdraw from Haiti after discharging our obligations.[59]

[55] For an account of this period see A. C. Millspaugh, *Haiti Under American Control*, Chap IV.

[56] *New York Times*, August 19, 1920.

[57] *Report of American High Commissioner, 1929*, pp. 7-9.

[58] *New York Times*, December 8, 1929.

[59] *Report of the President's Commission for the Study and Review of Conditions in the Republic of Haiti* (Washington, D C., 1930), p 1.

The Commission found a serious state of unrest existing, due partly to the economic condition caused by the falling price of coffee, but even more to the hostility towards President Borno who, according to public opinion had permitted himself as well as the Council of State to be completely subservient to High Commissioner Russell. As an emergency measure, the Committee suggested the immediate election of Eugene Roy, a business man, as temporary President. He could thereupon call for the election of the legislature which might elect a President in accordance with the provisions of the constitution. The suggestion was adopted, M. Roy was elected President by the Council of State on April 21, 1930, and inaugurated on May 15. A new Congress was elected in October which forthwith chose as President M. Stenio Vincent, a strong opponent of the American occupation.

In the meantime the Forbes Commission had returned to Washington and had made its report. Although it gave the American administration credit for the remarkable progress made in health, sanitation, bridge and road building, it found little effort had been made to prepare the Haitians for self-government. In fact, the report stated that "the acts and attitude of the treaty officials gave your commission the impression that they had been based upon the assumption that the occupation would continue indefinitely." [60] In its recommendations, which were approved by President Hoover, the Commission advocated: (1) the rapid Haitianization of the administration services with the definite aim of having Haitians trained to take over the work in 1936; (2) the abolition of the office of High Commissioner and the appointment of a non-military minister to take over his duties as well as those of diplomatic representative; (3) the gradual withdrawal of the marines in accordance with arrangements to be made by the two governments; (4) the negotiation of a new agreement or a modification of the present treaty providing for less intervention in Haitian domestic affairs.[61]

In accordance with these suggestions General Russell submitted his resignation as American High Commissioner and Dr. Dana G.

[60] *Ibid*, p. 8.
[61] *Ibid.*, pp. 20-21.

Munro was appointed as Minister to Haiti. Although the United States was eager to terminate its responsibilities in Haiti at the earliest possible date, it was not able to accept the Haitian Government's proposal for the speedy termination of financial control. In other matters a solution was finally agreed upon and incorporated in the Haitianization Agreement of August 5, 1931.[62] According to its terms all Americans connected with the Public Works Service, the Public Health Service and the *Service Technique* were to be withdrawn by October 1 of the same year, while the Service of Payments and the auditing of expenditures were to remain under the control of the Financial Adviser.

The Haitianization of the Garde and the withdrawal of the marines required longer consideration, but agreement was finally reached on these subjects, and by the Treaty of September 3, 1932, it was provided that all American officers should be withdrawn from the Garde by December 31, 1934, and the withdrawal of the Marine Brigade was not to begin later than that date. It was also agreed that a Fiscal Representative appointed by the President of Haiti upon the nomination of the President of the United States should replace the Financial Adviser-General Receiver on December 31, 1934, and he should collect all customs duties with the assistance of an Haitian personnel.[63]

It soon became evident that the Haitian legislature was not satisfied with these terms and the ratification of the agreement was unanimously rejected. No further action was taken until the Franklin D. Roosevelt administration came into office. Norman Armour, a career diplomat, now replaced Dr. Munro, and he proceeded to negotiate a new settlement largely along the lines of the previous one, but in the form of an executive agreement, instead of a treaty. The Agreement of August 7, 1933, advanced the date of the Haitianization of the Garde and the withdrawal of the marines to October 1, 1934, and the date of the appointment of the Fiscal Representative to January 1, 1934, but the rest of

[62] For text see U. S Dept. of State, *Executive Agreement Series,* No. 22.

[63] For text see U. S. Dept. of State, *Press Releases,* Sept. 10, 1932, p. 150; also Dana G. Munro, *The United States and the Caribbean Area* (Boston, 1934), pp 190-193.

the agreement was very similar to that of the Treaty of September 3, 1932.[64]

President Roosevelt's desire to make effective his "Good Neighbor" policy, and Secretary Hull's cordial attitude at the Montevideo Conference encouraged President Vincent to request a speedy renunciation of American financial control in Haiti; he was invited to come to Washington to confer on the situation. On April 17, 1934, a joint statement was issued by the two presidents stating that the commitments of the August 7 agreement would be carried out and in addition new and satisfactory commercial and financial agreements would be negotiated.[65] As a gesture of friendship, President Roosevelt asked and obtained from the Congress authorization to turn over to Haiti buildings and equipment used by the marines during their occupation.

In July President Roosevelt returned the visit of President Vincent and ordered the time for the withdrawal of the marines to be advanced to August 15. In fact, the 850 marines who still remained began to withdraw at the end of July and by the 15th of August the last marine had left and the Haitian flag flew over the former American barracks. To put an end to financial control it was agreed that the National City Bank of New York should sell back the National Bank of Haiti to the government of Haiti and all official American control be abolished. The sale was consummated July 9, 1935, subject to approval by the Haitian Senate. When a small group of eleven Senators opposed, President Vincent put the matter up to a national referendum which overwhelmingly approved the purchase of the bank. A reciprocity tariff agreement was also signed with Haiti the same year (March 28, 1935) whereby the United States lowered the tariff on rum, fruit, and cocoa in return for a freer admittance of our machinery, radios and automobiles.

Contrary to the situation in the Dominican Republic, the European war had a serious effect upon the economic situation of Haiti since it closed her principal markets for coffee and cotton. The United States recognized this situation and by an executive

[64] For text see U. S Dept. of State, *Executive Agreement Series*, No. 46.
[65] *New York Times*, April 18, 1934.

agreement dated February 13, 1941, Haiti was permitted to postpone the payment of one-third of the interest due upon the bonds of 1922 and 1923.[66] On September 13, 1941, after numerous conferences the two governments signed a new agreement which replaced the one negotiated in 1933. The financial agreement of 1941, like the one concluded with the Dominican Republic, abolished the office of Fiscal Representative, transferring all funds to the National Bank of Haiti as sole depository for the Haitian government. The Bank's Board of Directors was reorganized making three of the six voting members United States citizens, one of whom should serve as Co-President and represent the holders of the 1922 and 1923 bonds. The new agreement became effective October 1, 1941, and will continue in force until the bonds shall be redeemed.[67]

The war shifted the Haitian market towards the United States even more than formerly and during the fiscal year 1940-41 we took 87.92 per cent of her exports and provided 83.58 per cent of her imports.[68] Haiti declared war upon Japan the day after Pearl Harbor and on December 12 extended her declaration to include Germany and Italy. To coördinate economic and defense arrangements, President Elie Lescot visited Washington in April, 1942, and following a series of meetings, an omnibus memorandum was issued covering various agreements which had been reached. These agreements *inter alia* provided that the Commodity Credit Corporation of the United States purchase all surplus cotton produced in Haiti during the war period; that the Export-Import Bank extend such credits to the National Bank of Haiti as were necessary to stabilize exchange; to aid in the common war effort that 24,000 additional acres of sisal be planted in Haiti; and that the United States should aid by material and by training the Haitian coast patrol and coast artillery. The two

[66] U. S Department of State, *Executive Agreement Series,* 201. Due to an improvement in trade conditions during the last quarter of the year the postponed interest was repaid and the October, 1941 payment met in full.

[67] *Ibid., Series,* 220

[68] Banque Nationale de la République d'Haiti, *Annual Report of the Fiscal Department. October 1940—Sept. 1941.*

governments also agreed to carry out a number of health and sanitation projects in Haiti.[69]

With the substitution of coöperative assistance for enforced control in Haiti, the United States had ended the last of her military interventions in the Caribbean. From the standpoint of physical improvements the Republic had benefited considerably. The total public debt had been substantially reduced, while at the same time a program of public construction, sanitation and instruction had been inaugurated. But the Haitian people resented an alien tutelage, nor were the people of the United States in favor of it. Haiti is now mistress in her own house—may she be successful in her future administration.

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CHAPTER XIII

INTERESTS OF THE UNITED STATES IN CENTRAL AMERICA

SOUTH of Mexico, stretching some six hundred miles in a southeasterly direction to the Isthmus of Panama, lie the five republics of Central America—Guatemala, Honduras, Salvador, Nicaragua, and Costa Rica. The combined area of these states is about 175,000 square miles, or virtually that of Illinois, Michigan, and Wisconsin. Their aggregate population is about five and three-quarter millions.[1] The climate varies from that of the humid and suffocating coastal plains on the Atlantic side to that of the comparatively cool regions of the plateaus and mountain valleys, and again to that of the hot, dry, but healthful coast of the Pacific. The population is predominantly Indian, although it varies considerably in the different states. Guatemala, for example, is almost completely Indian, while in Costa Rica the white population predominates. In spite of the fact that the Central American states are for the most part possessed of extremely fertile soil, have considerable mineral resources, and, with the exception of Salvador, have outlets on both oceans, they must still be regarded as among the more backward regions of the western hemisphere. Spain's policy of selfish exploitation kept them in this condition while they were under her control; since they have achieved independence, mutual jealousies and revolutions have produced a similar result.

Before taking up the relations of the United States with Central America, it might be well to point out the more noticeable differences among these five republics.[2] Guatemala has the largest

[1] For specific data on the individual states, see *The South American Handbook* (London, 1942).

[2] For general description concerning these republics see the pamphlets issued by the Pan American Union under the names of the various countries. The best single book is D. G. Munro, *The Five Republics of Central America* (New York, 1918).

population, the greatest foreign trade, and is the most wealthy. This arises partly from its size, partly from the comparative peace that the republic has enjoyed under its autocratic governments. Two of its despots, Carrera and Cabrera, succeeded in maintaining themselves in power for over twenty years, while President Ubico has held office since 1931. On the other hand, Guatemala has virtually no middle class, and its wealth has been produced by the contract labor of the ignorant and oppressed Indians. It is asserted that the great coffee plantations could not be worked without a system of peonage; but such a confession if true bodes ill for the future progress of the country.

Costa Rica, although not half so large as Guatemala, is a close second to it in commerce and wealth, and is the first country in Central America in its trade per capita. Owing to its homogeneous white population and its isolation from its more turbulent neighbors, its history has been fairly free from revolutions and its prosperity correspondingly great. It justly claims first place among the Central American republics as the most progressive and most efficiently governed, and it is the country's boast that it has more school-teachers than soldiers.

Although the smallest of the twenty-one American republics, El Salvador must in many ways be regarded as a very important member of the Central American group. Its climate and soil are excellent; its coast on the Pacific contains good harbors, its population has more Spanish blood than has that of either Nicaragua or Honduras; and, although its history has been very turbulent, the reason is to be found chiefly in the interference of other countries in its affairs. Salvador is the second country in Central America in population and third in trade, and is by far the most densely populated. In contrast with Costa Rica, its army is better organized than its schools, and has been a rather heavy drain on its finances. On the whole, it has been the least friendly towards the United States of all the Central American republics; and it was the only one that did not join in the first World War against Germany.

Nicaragua is the largest of the five states, and, owing to its canal possibilities, it has received more attention from foreign powers

than any of its sister republics. Its political history—in which the United States has played a leading part—has been exceedingly turbulent. Next to Honduras, it is perhaps the most backward state in Central America; its communication facilities are wholly inadequate, and its arrangements for education are primitive in the extreme.

Honduras means "the depths," and the republic does not belie its name. Its population is, for the most part, densely ignorant; economically it is the most backward; its government has generally been a military despotism; and the state has been the center of virtually every conflict in the isthmus. The result has been a tremendous foreign debt, bankruptcy, and finally American intervention.

Before its declaration of independence on September 15, 1821, the viceroyalty of Guatemala, which included the provinces of Salvador, Nicaragua, Honduras, and Costa Rica, had been the connecting link of the great Spanish Empire extending from Mexico to Patagonia. Free from the Spanish yoke, the states into which the viceroyalty disintegrated gravitated towards Mexico; and, although there was considerable opposition, particularly on the part of Costa Rica, a provisional junta decreed that the whole of Central America should be annexed to the Empire of Mexico.[3] The fall of Iturbide came before the plan could be carried into effect, and the states were once more adrift. It is interesting to note that at this time Salvador, which also opposed annexation to Mexico, passed an act annexing itself to the United States and sent two representatives to negotiate with the authorities at Washington on the subject.[4]

The idea of a federal union modeled upon that of the United States had appealed strongly from the beginning, and in 1823 a national constituent assembly was called, which declared the former viceroyalty of Guatemala free and independent and confederated into a nation under the name of *Provincias Unidas del*

[3] H. H. Bancroft, *History of Central America* (San Francisco, 1886-87), Vol. III, p. 54.

[4] H. H. Bancroft, *op. cit.*, p. 64; see also *Sen. Ex. Doc. No. 75*, 31st Cong., 1st Sess., p. 94

Centro de América. A constitution was thereupon drafted, after the American model, and ratified on September 1, 1825. Before the year was out the United States recognized the new federal state by signing, on December 5, 1825, a treaty of commerce and friendship, which was proclaimed in effect by the American Secretary of State on October 28, 1826.[5] This treaty, designated "A General Convention of Peace, Amity, Commerce, and Navigation with the Federation of the Centre of America," consisted of thirty-three articles, which granted equal privileges and rights to citizens coming from either republic into the other, and all the rights granted by one or the other to the most favored nation. It was to remain in force for twelve years. No provision was made for its continuance after that time. But it proved eminently satisfactory to both parties, and shortly before its expiration in 1838, Mr. De Witt, the *chargé d'affaires* at Guatemala, was instructed to obtain a renewal of it. A new treaty was signed on July 14, 1838. But, owing to a delay in the exchange of ratifications, it did not go into effect; and in the summer of 1839 Mr. J. L. Stephens was sent as special agent to bring about the exchange of ratifications.[6] In the meantime the confederation had been rapidly weakening; the last federal congress adjourned in 1838, and the last president was expelled in 1840. As a consequence, Mr. Stephens was unable to accomplish the object of his mission.

Various attempts were made to reorganize the federation, but nothing permanent came of them. In 1842 Salvador, Honduras, and Nicaragua formed a confederation which lasted about two years, and again in 1849 they signed a treaty of confederation which proved equally abortive.[7] Uncertain of the situation, the United States had despatched Mr. W. S. Murphy in 1841, with instructions that if he should find any organized government of a federation of Central America, he should arrange for the ratification of the treaty of commerce. He was obliged to report that there was, at the time, no federal government in Central America

[5] For text see *American State Papers, Foreign Relations,* Vol. VI, pp. 269-276.

[6] *Sen. Ex. Doc. No 75,* p. 95.

[7] For full account see Bancroft, *op cit.,* Chap. X; also W. F. Slade, "The Federation of Central America," *Journal of Race Development,* Vol. VIII (July, 1917), pp. 79 *ff.*

entitled to the privileges, or responsible for the duties, of a sovereign power.[8] Guatemala declared herself definitely free and independent on March 21, 1847, and the United States thereupon despatched Mr. Elijah Hise to propose the adoption of the treaty of 1838 between the United States and Guatemala. He was also authorized to conclude a similar treaty with Salvador; but Secretary Buchanan did not deem it advisable to conclude treaties with either Nicaragua, Honduras, or Costa Rica until the department secured further authentic information concerning them.[9]

Undoubtedly a more important reason for sending Mr. Hise was to obtain information about the encroachments of Great Britain upon the territories of Nicaragua, Honduras, and Costa Rica, under the guise of protecting the so-called kingdom of the Mosquito Indians. In fact, on January 1, 1849, a British man-of-war had taken forcible possession of the post of San Juan de Nicaragua; and, although the Nicaraguan troops recaptured it on January 9, the British reoccupied it three days later and maintained their hold. Inasmuch as San Juan would be the natural outlet for any isthmian canal through the state of Nicaragua, the interest of the United States was justified. Mr. Hise arrived about the first of November, and lost no time in accomplishing his mission. In a letter to the Secretary of State, dated May 25, 1849, he reported that he had already concluded a treaty with Guatemala, and was then negotiating with the commissioners of Honduras and Nicaragua, with whom he hoped to conclude commercial reciprocity treaties; and he intimated that he also expected "to conclude a special convention with Nicaragua of vast importance to the United States and to the whole commercial world."[10] He was not disappointed, and in a despatch dated September 15, 1849, he announced that he had concluded treaties of amity and commerce with Honduras and Nicaragua, and a special convention with Nicaragua. This convention secured to the United States a perpetual right of way by land or water through Nicaragua, and the right to charter a company which should have exclusive right

[8] *Sen. Ex Doc. No. 75*, p. 95.
[9] *Ibid.*, p. 96.
[10] *Ibid.*, p. 103.

over the contemplated canals or roads; in return, the United States was to guarantee the sovereignty of Nicaragua over its rightful territories.[11] Although his instructions had given him no such powers—in fact, had definitely prohibited conventions with Honduras and Nicaragua—he justified his acts on the grounds that, on account of the revolutionary condition of the country, he had received no answers to his despatches. He also felt that the cession of Upper California to the United States and the subsequent discovery of gold there made this acquisition doubly valuable. Finally, he was confident of being sustained because he had received authentic information that English companies were endeavoring to procure for themselves the privileges that he had received.

Months before this, however, the new administration at Washington had recalled him, and had appointed Mr. E. G. Squier to undertake a similar mission to Nicaragua. In Squier's case, however, authority was given to conclude treaties with all five republics separately in case he should consider that there were no hopes of a new confederacy. In the case of Nicaragua, he was to obtain, if possible, for the citizens of the United States the right of free transit over any canal or railroad that might be constructed between the two oceans. But it was not deemed expedient to give as compensation any guaranty of the independence of the country through which the canal or railroad should pass.[12] The instructions of Secretary Clayton also gave a very complete résumé of the British claims to the Mosquito territory, and concluded with the opinion that they were founded upon repeated usurpations. "The United States," he declared, "would not allow the isthmian passage to be blocked by such pretensions—it desired no monopoly of the right of way for its commerce, nor could it submit to a similar claim on the part of any other country."[13]

When Mr. Squier arrived at his post, he noticed that a very cordial relationship existed between Honduras, Salvador, and Nicaragua, and upon learning that commissioners had been ap-

[11] Text *ibid.*, p. 110, for earlier attempts to obtain a canal route across Nicaragua, see Chap. IV, above.

[12] *Sen Ex Doc No. 75*, p. 120.

[13] *Ibid.*, pp. 121-128. For a more complete discussion of the British claims see *Sen Doc. No. 27*, 32nd Cong., 2nd Sess., pp. 73-98.

pointed to arrange for a more complete and efficient union he expressed the hope that the attempt would prove successful. In a note to the Minister of Foreign Relations of the Republic of El Salvador, he declared that "it is the desire of my government that some consolidation of these states may be effected, believing, as it does, that their general interests will thus be promoted, and that they will be better enabled to resist the encroachments and thwart the designs of foreign and unfriendly powers." [14] He also noticed that the British appeared to have designs upon Tigre Island in the Gulf of Fonseca, which belonged to Honduras. Believing that its seizure by Great Britain would vitally affect the interests of the United States, he, too, exceeded his instructions, and, despatching a special courier to Honduras, he asked for a speedy treaty between the United States and Honduras which should "authorize the United States in interposing its power against the designs of the English." [15] In his despatch to Secretary Clayton he suggested that a feasible method of effecting the objects desired might be to procure the cession of the island to the United States.[16] Washington was unwilling to risk this plan; and we have shown in another chapter how the United States attempted to settle the dispute with Great Britain by the Clayton-Bůlwer treaty.[17] Although Mr. Squier succeeded in obtaining a satisfactory treaty with Nicaragua, it was no more productive of results than "the most advantageous treaty that human ingenuity could devise" of his predecessor.

During the next decade Central America was a close competitor with California in furnishing an outlet for the restless energy of adventurous Americans. In fact, the two were very closely linked up, since the most practicable way to California from the eastern seaboard of the United States was by water as far as Pan-

[14] *Sen. Ex. Doc. No. 75*, p. 163. It is interesting to note that just three weeks earlier Señor Francisco Castellón, the Nicaraguan minister to London, had asked of Mr Bancroft, the American minister, whether Honduras, San Salvador, and Nicaragua might be admitted into the North American Union and upon what conditions. If not, could they count upon the United States to defend the integrity of their territory? *Ibid.*, p. 302.

[15] *Ibid.*, p 167.

[16] *Ibid.*, p. 157.

[17] See pp. 102-103, above.

ama, and thence, after crossing the isthmus, by way of the Pacific. We have already seen how the Panama Railroad Company had received a concession from Colombia in 1850, and had completed the road in 1855.[18] This company was not destined, however, to monopolize the isthmian traffic. In 1849 Colonel Vanderbilt, with several associates, obtained a concession from Nicaragua, authorizing them to construct a canal through Nicaragua, utilizing any lakes or rivers that the engineers should consider feasible in putting through the project. Having become incorporated as the "American Atlantic and Pacific Canal Company," this group proceeded actively with the plan. Soon, however, they found that it was not entirely practicable.[19] A new charter was then obtained, which gave to the Accessory Transit Company (an offshoot of the former organization) a right of way across the country and the sole privilege of steam navigation on the navigable waters of the state.[20] By 1854 a route across the country by river boats, lake steamers, and stage-coaches had been completed and was competing very actively with the Panama route.[21]

It can readily be imagined that the officials of this company would be directly interested in the maintenance of a stable government in Nicaragua strong enough to protect the transport of passengers across the country. But a stable government in Nicaragua at this time seemed quite beyond the bounds of probability. The Conservatives, with Granada as their stronghold, were in perpetual conflict with the Liberals, whose strength was centered at León. The other towns divided their allegiance between these two groups. Fifteen presidents during a period of six years makes a record for even Central American republics. In 1854 the Liberals, under Francisco Castellón, who had taken the offensive and were besieging the Legitimists in Granada, found that they were losing ground. To stem the tide, Castellón contracted with Byron Cole, an American, to bring a detachment of Americans to Nicaragua

[18] See Chap. IV, above.

[19] For text of the charter see *Sen Ex. Doc. No. 68*, 34th Cong., 1st Sess., p. 84.

[20] *Ibid.*, p. 100.

[21] L. M. Keasby, *Nicaragua Canal and the Monroe Doctrine* (New York, 1896); also E. G. Squier, *Honduras* (London, 1870), p. 241.

to serve in the Democratic Army.[22] Cole was a friend of William Walker, who had already attained considerable notoriety as a result of the filibustering expedition which he had led to southern California with a view to adding it, together with Sonora, to the territories of the United States. Cole communicated the proposal to Walker, then engaged in newspaper work in California. The adventurer needed little persuasion to organize the expedition. On May 4, 1855, fifty-eight men left San Francisco for Nicaragua under his leadership. In less than six months Walker had captured Granada, signed a treaty with the Legitimist leader, and had himself named commander-in-chief of the military forces of the new Rivas government. The Accessory Transit Company was not slow to appreciate the advantages of enlisting him on its side, and one of its agents offered to finance the new government and immediately made an advance of $20,000.

Walker's situation was still so critical that he could not afford to refuse such timely aid; and when the company also agreed to furnish free transportation on its steamers for recruits from New York and San Francisco, thus augmenting his forces by hundreds of valuable followers, he became hopelessly indebted to its agents. Their purpose was soon revealed. The New York and San Francisco agents, Morgan and Garrison, had determined to wrest control of the company from Vanderbilt, and Walker was to play a leading rôle in bringing about this result. Nicaragua had certain valid claims against the company, which Walker was to use as a basis for securing the revocation of the charter. He could then issue a new charter to Morgan and Garrison, who by virtue of the concession would be in a position to take over the property of the old company. Walker became a partner in the scheme, and obtained Rivas' signature to the revocation of the old charter. Morgan and Garrison received the concession. But Walker, by incurring the bitter enmity of Vanderbilt, had committed himself to a course which was to result ultimately in his undoing.

In trying to decide upon a policy regarding the filibusters, the Pierce administration found itself in a quandary. The min-

[22] An interesting and scholarly account of these events is given by Prof. W. O. Scroggs, *Filibusters and Financiers* (New York, 1916).

isters of Costa Rica, Guatemala, and El Salvador protested against the recruiting, which was going on openly, and thereupon Pierce issued a proclamation warning all American citizens against fitting out or taking part in expeditions to Nicaragua.[23] But, in spite of the proclamation and the Attorney-General's attempts to enforce it, the recruiting went on as merrily as before. When Parker H. French arrived in Washington as the official representative of the Walker-Rivas government, Secretary Marcy refused to receive him, on the ground that those who were instrumental in overthrowing the government of Nicaragua were not citizens of the country, and that the United States would establish diplomatic relations with Nicaragua only after it appeared that the new government had the support of its citizens.[24] Pierce was accused of catering to Great Britain by refusing to recognize the American government in Nicaragua, and there was even a chance that it would defeat his renomination. Incensed at the treatment accorded French, Walker broke off diplomatic relations with Wheeler, the American minister at Granada.[25] A little later, realizing that French was a most unfortunate choice as minister to the United States, Walker chose Father Vijil, the curate of Granada; and when the latter presented his credentials at Washington they were accepted by President Pierce, "satisfactory evidence appearing that he represents the *de facto* government." [26]

The Costa Rican minister at Washington, Señor Molina, was particularly hostile to the Walker-Rivas government, and protested bitterly to Mr. Marcy on various occasions. In desperation, his state finally took up arms against Nicaragua, whose independence had been destroyed "by the pirates who sailed from the coasts of the United States." [27] The first engagements were decidedly favorable to the Costa Rican forces, but an epidemic of cholera so decimated the ranks that the campaign had to be abandoned. Elated by his success and by the recognition extended by the American government, Walker now proceeded to have himself

[23] J. D. Richardson, *Messages and Papers of the Presidents*, Vol. X, p. 388.
[24] *Sen. Ex. Doc. No. 68*, p. 57.
[25] *Ibid.*, p. 74.
[26] *Ibid.*, p. 6.
[27] *Ibid.*, p. 131.

elected president. The American minister, Mr. Wheeler, without awaiting instructions, proceeded to recognize the new government.[28] He was later censured for his blunder, and when the Walker government's representative reached Washington, he was not received and explanations were refused.[29]

The other republics now became alarmed at Walker's success, and, fearing for their own safety, entered into an alliance for the defense of their sovereignty and independence, recognizing the deposed Rivas as the provisional president of Nicaragua. In spite of the overwhelming superiority of the allies, Walker and his brilliant officer, General Hennington, withstood every attack, and at the end of 1856 the prospects for success were still bright. Vanderbilt now came to the aid of the allies, and, by a clever scheme ably carried out by his agents, caused the collapse of the filibuster régime. A force of Costa Ricans, aided by Spencer, a former engineer on the Transit Company's line, succeeded in surprising Walker's force guarding the steamers on the San Juan and Great Lake, thus cutting off further supplies and reinforcements. The result was now merely a question of time. Commander Davis, in charge of a United States sloop-of-war, seeing the desperate plight of the filibusters, offered his mediation, and the allied general was willing to allow them to surrender to the American commander. "Vanderbilt's man had succeeded in doing what the allied Central American states could not accomplish. It was American capitalists who set up the filibuster régime in Nicaragua, and it was an American capitalist who pulled it down." [30]

In September, 1857, the representatives of Costa Rica, Guatemala, and Salvador informed Mr. Cass that a new Walker expedition was being prepared.[31] When this was brought to the attention of Walker, he indited a letter to Secretary Cass truly remarkable in its diplomatic naïveté. He declared that this self-imposed guardianship over Nicaragua on the part of the representatives of Costa Rica and Guatemala was humiliating in the

[28] W. O. Scroggs, *op. cit.*, p. 214.

[29] *Ibid.*, p. 215.

[30] *Ibid.*, p. 285. For a full account of the surrender from the standpoint of the filibuster see *House Ex. Doc No. 24*, 35th Cong., 1st Sess., p. 15.

[31] *Ibid.*, p. 4.

extreme, and as the rightful and lawful chief executive of Nicaragua he protested against it.[32] The United States government investigated, none the less, and finally ordered his arrest. Released on bail for hearing, he immediately set sail for Nicaragua from New Orleans, with very little interference on the part of the port authorities.[33] He landed at Punta Arenas November 24, but before he could do much mischief the U. S. frigate *Wabash,* under the command of Commodore Paulding, appeared opposite the filibusters' camp and demanded their surrender. Walker was brought back to the United States, and, although Commodore Paulding was censured for violating the sovereignty of Nicaragua, President Buchanan expressed the view in no uncertain terms that Walker's expedition was a crime, and said that such undertakings interfered at every step with the conduct of foreign affairs with Central American governments.[34]

Buchanan had already recognized Señor Yrisarri, who was serving as minister from Guatemala and Salvador, as representative from Nicaragua, and immediately signed a treaty with him providing for open transit through Nicaragua to all nations upon equal terms, and giving the United States the right to employ force, if necessary, to protect the route.[35] This treaty, however, was never signed by the Nicaraguan president, partly because of the opposition of Vanderbilt, who knew that a rival company had the concession, but principally because of the machinations of a Frenchman, M. Felix Belly, who used the fear of the filibusters as a most effective bogy to frighten the president of Costa Rica and Nicaragua. These officials went so far as to issue an elaborate manifesto against the United States, declaring that the United States openly menaced Central America with annexation unless Europe should defend it, and they therefore placed their countries under the protection of England, France, and Sardinia.[36] When the United States asked whether this document was genuine, the Nicaraguan government, after considerable prodding, replied that

[32] *Ibid*, p 6
[33] *Ibid.*, p. 26
[34] J. D. Richardson, *op cit.*, Vol. V, p. 466.
[35] Text in *Sen. Ex Doc No 194,* 47th Cong., 1st Sess., p. 117.
[36] W. O. Scroggs, *op. cit*, p. 361.

it was signed by the president acting as a private citizen, and therefore was not an official act.[37]

Walker's third and last attempt ended the filibustering expeditions to Central America. Early in 1860 an inhabitant of one of the Bay Islands, which, by a convention signed the previous year between Great Britain and Honduras, had been put back under the sovereignty of Honduras, invited Walker to come to the islanders' aid to resist the convention's execution. Walker seized the opportunity, and was soon heading another expedition to Central America. Upon arriving, he found the British flag still flying, and after waiting several weeks he became desperate and seized the fortress of Truxillo on the mainland of Honduras. A fortnight later Commander Salmon of H.M.S. *Icarus* sent him a note declaring that the occupation was prejudicial to British interests, and that therefore he must lay down his arms and withdraw. Realizing the hopelessness of his position, Walker first attempted flight, but, being captured, surrendered to the British officer. Contrary to his promise, Salmon turned him over to the authorities of Honduras. This was equivalent to a sentence of death, and on September 12, 1860, a firing squad ended the career of the greatest of the filibusters.[38] In his annual message of December 3, 1860, President Buchanan uttered the pious opinion that "it surely ought to be the prayer of every Christian and patriot that such expeditions may never again receive countenance in our country or depart from our shores."[39]

During the next decade the relations between the United States and the Central American republics were uneventful. From the beginning of his term, Secretary Seward determined to follow a policy of friendly relations with Central America and to gain, if possible, the inhabitants' good will. In his instructions to Mr. Dickinson, the new minister to Nicaragua, dated June 5, 1861, the Secretary counseled him to assure the Republic of Nicaragua "that the President will deal with that government justly, fairly, and in

[37] *Ibid.*, p. 364.

[38] *Ibid.*, Chap XXIII. General William Walker's account of his expeditions, *The War in Nicaragua* (Mobile and New York, 1860), is a well written, accurate, and remarkably unbiased historical narrative.

[39] J. D. Richardson, *op cit.*, Vol. V, p 649

the most friendly spirit; that he desires only its welfare and prosperity. . . . Let unpleasant memories of past differences be buried and let Nicaragua be encouraged to rely on the sympathy and support of the United States if she shall at any time come to need them." [40] In 1867 Nicaragua had occasion to remember Seward's promise and called upon the United States to use her good offices to obtain for Nicaragua a favorable settlement of the problems arising under her treaty of 1860 with Great Britain relative to the Mosquito territory.[41] The American minister at London, Mr. Charles Francis Adams, approached Lord Stanley on the subject, and received his assurance that the British government had no wish to embarrass Nicaragua, and had already given the Nicaraguan minister satisfactory evidence of the justice of its position.[42]

The one subject, however, upon which the United States laid greatest stress, in her diplomatic correspondence with the Central American republics during the second half of the nineteenth century, was the project of a Central American confederation. The Central American states realized very clearly the advantages of a closer union, and, after the complete dissolution of the Union in 1840 numerous efforts were made to reëstablish the Confederation. In 1842, 1849, and 1852 attempts were made by the three central states; but no permanent result came of them.[43] In 1871 President Medina, of Honduras, proposed that delegates be sent to Salvador to consider plans for a union. The presidents of Nicaragua and Guatemala seemed favorable to the idea, and it was suggested that Mr. Riotti, the American representative at Leon, should preside over the conference. Secretary Fish was favorably impressed with the idea and intimated that the project was a very desirable one in the eyes of the United States.[44] The following year a pact of union was signed in El Salvador by the representatives of Costa Rica, Honduras, Guatemala, and Salvador, "to preserve and main-

[40] *Diplomatic Correspondence of the United States*, 1861, p. 419.

[41] *Ibid.*, 1867, Vol. II, pp 690 *ff*

[42] *Ibid*, 1868, Vol. I, p. 151.

[43] See D G Munro, *op. cit*, Chap VIII, for a concise account of the various attempts; also P. M. Brown, "American Intervention in Central America," *Journal of Race Development*, Vol. IV, p. 409.

[44] *For. Rel. of the U. S.*, 1871, pp 681-683.

tain the peace between them, . . . and to guarantee the autonomies of Central America and the integrity of its territory against all aggression and pretensions of foreign powers." [45] But, within two months of the conference, war broke out between Honduras and El Salvador.

On June 24, 1874, Mr. Williamson, the American representative at Guatemala, summed up in a despatch to Secretary Fish what he considered to be the principal obstacles to a union of the Central American states: the debts incurred during the former federal union, local prejudices, a heterogeneous population, no identity of interest, difficulty of intercommunication, and lack of a prominent leader to make a public issue of the question of federation.[46] The new president of Guatemala, J. Rufino Barrios, was destined to become such a leader. In 1876 he proposed that Guatemala annex the four other republics, but such a plan could scarcely be expected to meet the approval of the states to be taken in. The United States continued to manifest interest in the idea of federation, and Secretary Blaine, in a despatch to the American minister at Guatemala City, dated May 7, 1881, declared that "there is nothing which this government more earnestly desires than the prosperity of these states, and our experience has taught us that nothing will so surely develop and guarantee such prosperity as their association under one common government. . . . You cannot impress too strongly upon the government to which you are accredited, or upon the public men with whom you associate, the importance which the government of the United States attaches to such a confederation of the states of Central America as will respond to the wants and wishes of their people." [47] He repeated these sentiments to Señor Ubico, the representative of Guatemala at Washington,[48] and to Mr. Morgan, the American minister to Mexico.[49]

During the year 1882 President Barrios visited the United States, and the results showed that the administration undoubtedly

[45] *Ibid.*, 1872, p. 520.
[46] *Ibid.*, 1874, p. 172.
[47] *Ibid.*, 1881, p. 102.
[48] *Ibid.*, p. 599.
[49] *Ibid.*, p. 816.

encouraged him in his plans for a union. Upon his return he secured the approval of the presidents of Salvador and Honduras, and to reconcile public opinion he declared, in a public letter to the Liberal Party, that although he was doing all in his power to bring about a federation of the five republics, he had no intention of accepting the presidency.[50] Unfortunately, the popular opposition was too great, and the scheduled convention did not take place. Barrios now determined to resort to force. On February 28, 1885, he issued a decree declaring himself the supreme military chief of the "Central American Union" and proclaiming the union of Central America into one sole republic.[51] Honduras accepted immediately, but the president of El Salvador, who had previously pledged his support, vacillated and played for time. Nicaragua and Costa Rica rejected the plan unconditionally, and on March 9, together with El Salvador, they appealed to the United States and Mexico to intervene against the projects of Barrios.[52] Mr. Hall, the American representative at Guatemala, was authorized to use his good offices, but the day after he received the despatch news came that President Barrios had been killed in action.[53] With the death of Barrios, all further immediate efforts to form a confederation under the ægis of Guatemala were dropped. In spite of the hostilities engendered by the war, a treaty was signed on September 12, 1885, between Guatemala, Honduras, and Salvador, providing among other things for extradition, commercial reciprocity, and a postal telegraph and monetary union; and Nicaragua and Costa Rica were invited to become parties to it.[54]

Although the invitation was not accepted, negotiations continued, and in January, 1887, the delegates of El Salvador, Honduras, Nicaragua, and Costa Rica met in Guatemala, and after a month's deliberation, on February 16, 1887, signed a treaty of peace and friendship. This document opened with the statement that it is the mutual desire of the five states to draw closer and

[50] *Ibid.*, 1883, p. 49.
[51] *Ibid.*, 1885, p 75.
[52] H. H Bancroft, *op. cit.*, Vol. III, p. 448.
[53] *For. Rel. of the U. S.*, 1885, pp. 98-99.
[54] *Ibid.*, 1887, p 85

"establish appropriate bases for the near advent of the longed-for political union of Central America." [55] The treaty was ratified by all the states except Nicaragua, who seemed to fear forcible action on the part of Guatemala and raised the issue in Washington. Secretary Bayard hastened to notify Mr. Hall, the American minister at Guatemala, that the United States strongly disapproved of a coercive union of the Central American republics, and suggested that he take an early and discreet occasion to bring these views to the attention of the government of Guatemala.[56] Guatemala denied the allegations and continued under the treaty of 1887 to work for a union. But a revolution in Salvador in 1890 brought into power the opponents of the union, thus forcing another postponement.

We have already indicated the interest of Mr. Blaine in Latin-American affairs as shown by his part in the first Pan American Conference and by his efforts to further a Central American federation. Unfortunately for his popularity in Central America, he was forced to decide a number of close cases in international law against the Central American republics. Guatemala was the chief offender. In July, 1890, she had seized arms on board the Pacific Mail Steamship Company's steamer *Colima,* contrary to an agreement made with the American minister,[57] and in the following month Guatemalan officials killed General Barrundia, traveling on the same company's steamer *Acapulco.*[58] For his conduct in the second case, the American minister's acts were disavowed and he was recalled forthwith. With war ever threatening between Guatemala and Salvador, Secretary Blaine's instructions to the new minister were most emphatic that he should make every effort to avert it. "Not only are the good offices of the United States equally ready towards averting possible causes of difference, but it is deemed the friendly duty of this government to do all that it can to prevent strife among its neighbors." [59]

[55] *Ibid.,* p. 101.
[56] *Ibid.,* 1888, Part I, p. 131.
[57] J. B Moore, *Digest of Int Law,* Vol. VII, p. 659.
[58] *Ibid.,* Vol. II, p. 871
[59] *For. Rel. of the U. S.,* 1891, p. 56.

In 1894 the United States had occasion to enter into negotiations with the British government in regard to the Mosquito kingdom. By the treaty of Managua, dating from 1860, Nicaragua's sovereignty over this region was recognized, but the Indians were given certain rights of self-government In the course of time many foreigners, principally English and Americans, engaged in business enterprises in Bluefields, the capital, and the region became very prosperous. On November 2, 1893, a Nicaraguan commissioner, with a staff of officers, arrived at Bluefields and established heavy customs upon the export of bananas. When the natives protested, the Nicaraguan officials obtained reinforcements, and finally took over the whole management of the country and proclaimed martial law. On February 25, 1894, H.M.S. *Cleopatra* anchored at Bluefields, and her commander insisted that martial law be raised and the Mosquito flag again hoisted.[60] The United States was interested, and the American minister to Nicaragua was directed to visit Bluefields and make a report. He found (1) that the present provisional government imposed by the Nicaraguan authorities, coöperating with the British consul, was a bold usurpation; (2) that the Mosquito government existing before Nicaragua became an independent state was overthrown by armed violence on February 11, 1894; (3) that fully 90 per cent of all the wealth, enterprise, and commerce of the Indian reserve was American; and (4) that the extension of Spanish revolutionary rule over this reserve would inevitably extinguish the whole of this present business prosperity.[61]

Although the American minister's sympathies seemed to favor the Mosquito government, the United States from the beginning took a firm stand in behalf of full Nicaraguan sovereignty. Writing to Mr. Bayard, the American minister at London, April 30, 1894, Secretary Gresham declared he was "unable to see that this joint assumption of authority by British and Nicaraguan agents was incompatible with the treaty of Managua." [62] Again on July 19 he maintained that the sovereignty of Nicaragua over the whole

[60] *Ibid*, 1894, Appendix I, pp. 261-264; 276-284.
[61] *Ibid.*, p. 287.
[62] *Ibid.*, p. 271.

of the national domain was unquestionable. "No matter how conspicuous the American or other alien interests which have grown up under the fiction of Indian self-government, neither the United States nor Great Britain can fairly sanction or uphold this colorable abuse of the sovereignty of Nicaragua." [63] Further foreign intervention was eliminated by the Mosquito tribes voluntarily signing a convention, November 20, 1894, permitting the absolute incorporation of their territory into the republic of Nicaragua.[64]

The century came to an end with one more attempt on the part of the Central American states to form a federation. Nicaragua, Honduras, and El Salvador signed the treaty of Amapala, June 20, 1895, by which they were to form a single political organization for the exercise of their external sovereignty; and the agreement was ratified in September of the following year. The federal powers were to be exercised by a diet consisting of one member and one substitute elected by each congress for a term of three years. Costa Rica and Guatemala were to be invited to join.[65] President Cleveland extended recognition to this Greater Republic of Central America, discerning in the articles of association "a step towards a closer union of Central American States in the interest of their common defense and general welfare," and he welcomed it as "the precursor of other steps to be taken in the same direction, and which it is hoped may eventually result in the consolidation of all the states of Central America as one nation for all the purposes of their foreign relations and intercourse." [66]

Costa Rica and Guatemala did not join, but in 1898 the other three states adopted a permanent constitution establishing a federal republic and made plans for the election of a president. Before the successful culmination of these plans, however, a revo-

[63] *Ibid.*, p. 311.

[64] *Ibid.*, p. 361. The relations with Great Britain were finally settled by a new treaty signed at Managua April 19, 1905, in which Great Britain recognized the sovereignty of Nicaragua over the Mosquito Reserve. For text see *For. Rel. of the U. S.*, 1905, p. 703.

[65] For full text see *ibid.*, 1896, p. 390

[66] *Ibid.*, p. 370.

lution in El Salvador detached this state from the group, and the other two thereupon resumed their independence of action.[67] The close of the century found the five independent republics at peace with the world and with each other, but apparently as far as ever from the union that had so long been the goal of their endeavors.

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[67] *Ibid*, 1898, pp 173-178, also J. D. Richardson, *op. cit*, Vol X, p. 178, and W. F. Slade, "Federation of Central America," *Journal of Race Development*, Vol. VIII (Oct., 1917), pp. 210-218.

CHAPTER XIV

RECENT RELATIONS WITH CENTRAL AMERICA

THE events outlined in the preceding chapter indicate a fairly consistent policy of friendly coöperation on the part of the United States with the Central American republics, particularly in their efforts to obtain a successful federal system of government. American citizens had been guilty of various audacious attempts to obtain special privileges and autocratic powers in these republics, but the American government never failed to frown upon them, even when a different policy might have redounded to the country's advantage. The war with Spain, however, was destined to place the United States in a new position with regard to the Caribbean region, and a greater interest in Central America and its problems was to be expected.

The first intervention of the United States in the affairs of the Central American republics, except in the collection of a few private claims, occurred in 1906. In July of that year a war broke out between Guatemala and El Salvador, and Honduras, as usual, was drawn in, this time on the side of El Salvador. The American minister used every effort to avert it; when he failed, President Theodore Roosevelt, after securing the coöperation of President Diaz of Mexico, stepped in. He sent identical notes to President Escalon of Salvador and Cabrera of Guatemala urging the immediate cessation of hostilities, and offering the deck of the American war-ship *Marblehead* as a neutral place where terms of an agreement might be drawn up.[1] Both sides accepted, and on board the *Marblehead,* on July 20, 1906, a convention of peace was signed which provided that within two months a general treaty of peace, amity, and navigation should be arranged for by a meeting, in Costa Rica, of the representatives of the three republics. The convention also provided that new differences should be submitted

[1] *Foreign Relations of the United States,* 1906, Part I, p. 837.

to arbitratiton, with the presidents of the United States and Mexico serving as arbitrators.[2] In appreciation of this just and peaceful settlement of the controversy, the Third Pan American Conference, which was then in session at Rio de Janeiro, passed a resolution of gratification over the successful mediation by the two presidents.[3]

The meeting in Costa Rica was participated in by representatives of all the Central American republics except Nicaragua. The results were a general treaty of peace and amity, arbitration, extradition, commerce, etc., between the four republics; also two conventions, the first establishing an International Central American Bureau in the city of Guatemala, and the second establishing a Central American Pedagogical Institute in San José, Costa Rica. Copies of these were sent to the United States by Costa Rica "as an act of courtesy to the government of the United States for an equal interest in the welfare of the Central American states."[4] Although Nicaragua had not sent representatives to the conference, copies of the treaty and conventions were sent to her, inviting her adherence. Nicaragua replied that she did not care to adhere, inasmuch as the treaty seemed to ratify the treaty of *Marblehead,* whose terms she was not willing to accept. The inference was that President Zelaya of Nicaragua, known to be hostile to the United States, was unwilling to accept the President of the United States as an arbitrator in case a dispute should arise to which Nicaragua was a party.

Hardly had Nicaragua thus announced her attitude before a situation arose which demanded arbitration. Honduras claimed that certain revolutionists and disturbers of the peace had fled across the border into Nicaragua, and that in order to suppress them its troops had been forced to cross the line. Nicaragua immediately got its forces in readiness and demanded indemnity for the infringement of its territorial rights. An attempt to settle this dispute by arbitration having failed, President Roosevelt wrote, on February 11, 1907, to the presidents of both states, expressing

[2] *Ibid.,* Part I, p. 851
[3] *Ibid.,* p. 852
[4] *Ibid.,* p. 856.

the strong hope that some means might be found to settle the dispute without resorting to war.[5] Receiving favorable responses from both, President Roosevelt thereupon offered his assistance. President Diaz acted in a similar fashion, but Nicaragua insisted upon reparations as a basis of arbitration, and, when Honduras refused, began operations. Hostilities did not last long, but El Salvador was drawn in against Nicaragua, and to avoid complications the United States once more offered its good offices. With the United States minister present during discussions, a treaty of peace was signed at Amapala, April 23, 1907, between Nicaragua and Salvador. The third article of this treaty provided that "any difference that may arise in the future between El Salvador and Nicaragua that might alter their good relations shall be adjusted by means of the obligatory arbitration of the presidents of the United States and of Mexico, conjointly." [6]

When trouble again threatened, in August of the same year, President Roosevelt, coöperating with President Diaz of Mexico, sent identic notes to each of the five Central American republics —tendering the good offices of the United States to bring about a peace conference of the representatives of the several states.[7] This overture received a very favorable response, and on September 17, 1907, the representatives of the five Central American republics at Washington signed a protocol agreeing to a joint conference at Washington, to meet November 1; in the meantime, they agreed to maintain peace and good relations among one another, and not to commit, or allow to be committed, any act that might disturb their mutual tranquillity.[8] In accordance with this protocol, President Roosevelt invited the executives of the five republics to name commissioners, to meet in Washington to discuss measures to be adopted to adjust any existing differences, and to conclude a treaty determining the general relations of their countries.[9]

The invitations were accepted by all of the republics, and they

[5] *Ibid.*, 1907, Part II, p. 616.
[6] *Ibid.*, p. 633.
[7] *Ibid.*, p. 638.
[8] *Ibid.*, p. 644.
[9] *Ibid.*, p. 648.

proposed that both the United States and Mexico should be represented. The conference, which met in Washington November 14, in the Bureau of American Republics began very auspiciously. In his opening address, Secretary Root made a strong plea to the delegates to banish fraternal strife from their land, and to find specific and practical measures whereby they might keep and enforce the agreements entered into.[10] The delegates showed their spirit of cooperation and friendly feeling by unanimous declarations at the first regular session that each of their countries had no claims against any of the others. But when, at the second session, Honduras proposed a scheme for the union of the five republics, a difference of opinion was quickly noticeable. Nicaragua was favorable to the proposal, but Guatemala opposed it, and Costa Rica objected to the consideration of the subject. The matter was finally referred to a committee of five, including one representative from each state.

The reports of this committee, which were read at the next session, showed strong divergence of views. The majority report, signed by representatives of Guatemala, Salvador, and Costa Rica, conceded that the political union of Central America was the "greatest and noblest aspiration of patriotism," yet gave it as their opinion that conditions were not suitable for attempting it at this time. They said that it was more opportune in the present conference to consider measures tending towards preparing in a stable manner for this union, such as better means of communication, a coasting ship commerce, a unification of customs and tax laws, and the encouragement of further Central American conferences. As definite steps, they supported the idea of a Central American bureau, the Pedagogical Institute, and the creation of a permanent Central American court of international justice. The minority report, signed by Honduras and Nicaragua, declared that union alone would insure stable and efficient peace and order in Central America, and insisted that this was the time to establish it.[11]

Fearing lest this question might interfere with the constructive work of the conference, Mr. Buchanan, the American representa-

[10] Report of W. I Buchanan, *ibid.*, p. 687.
[11] For text see *ibid.*, pp. 671-673.

tive, supported by the Mexican representative, proposed that the consideration of both reports be postponed, and that the conference proceed to prepare projects for the several proposed conventions. This course was adopted, and the conference proceeded to frame and adopt a number of important conventions regarding peace and friendship, the establishment of a Central American Court of Justice and a Central American bureau, extradition, railway communications, and a convention concerning future Central American conferences.[12]

Undoubtedly the two most important achievements were the general treaty of peace and amity, which was to remain in force ten years, and the convention establishing the Central American Court of Justice. Among other things, the treaty provided that any disposition or measure tending to alter the constitutional organization of any of the republics should be deemed a menace to the peace of all; the territory of Honduras was made neutral in conflicts arising between the other four republics, as long as she remained neutral; political refugees and disturbers were not allowed to reside near the frontiers of any of the five republics; and all future disputes were to be decided by the Central American Court of Justice. This tribunal was to consist of five judges, one from each state, appointed for five-year terms. It was given obligatory jurisdiction over all cases arising between two or more of the states, and its decision, given in writing by a majority opinion, was to be final. The court could fix the *status quo* pending the decisions in a case, and the signatory republics bound themselves to carry out faithfully the court's orders.[13]

On the whole, the representatives had no reason to feel ashamed of the results of their labors. Although the results were only on paper, and all looked towards the future, the ideas adopted were specific and practical, and they were grounded upon a solid basis of coöperation which alone was bound to be beneficial to all. The Court of Justice naturally received the most attention. One eminent American publicist aptly remarked: "To the powers of Europe, to the great powers of the world who struggled with partial

[12] *Ibid.*, p. 673.

[13] For text of the general treaty and the convention see *ibid.*, pp. 692-711.

success, for four months at The Hague, to establish a court of arbitral justice, the young republics of Central America may recall the scriptural phrase, 'A little child shall lead them.' " [14]

Unfortunately for the future peace of Central America, the court was not to have the success that its advocates had hoped, and the United States, as will be seen later, bulks large in the ultimate cause of its failure. The court was installed with much acclaim in Cartago, Costa Rica, May 25, 1908, representatives from the United States and Mexico participating in the inauguration ceremonies. In his address, Mr. Buchanan, the American representative, while taking a tone of optimism, very clearly pointed out that if success were to crown the effort there must be behind this court and its decisions an elevated patriotic public conscience in each of the republics that would lift and maintain the court in every way above the plane of political purposes or necessities. In conclusion, he read a telegram from Secretary Root saying that he had been authorized by Mr. Andrew Carnegie to offer, as a mark of his good wishes for the peace and progress of Central America, the sum of $100,000 for the construction in the city of Cartago of a temple of peace for the exclusive use of the court.[15]

Another result of the Washington conference was the establishment at Guatemala City, in the following year, of the Central American International Bureau. The principal objects of this bureau were: (1) the reorganization of the Central American Union; (2) the introduction of an up-to-date educational system; (3) the development and extension of domestic and foreign trade; (4) the increase and development of agriculture and industries; (5) the reform of legal institutions; and (6) reforms in customs, the monetary system, credit, weights and measures, and sanitation. This bureau was to consist of one delegate from each republic, who should reside in Guatemala. All future Central American conferences were to be held under its auspices, and it was to publish a bulletin, *Centro-América,* as a means of keeping the republics

[14] J. B. Scott, *Amer. Jour. of Int. Law,* Vol. II (Jan., 1908), p. 143.
[15] *For Rel. of the U. S.,* 1908, report of W. I. Buchanan, pp. 217-247.

in touch with one another's progress.[16] The bureau was in many respects modeled upon the Pan American Union, and, considering its limited resources and facilities, it has been eminently successful. Mr. Dana G. Munro goes so far as to assert that of the institutions provided by the Washington conference this is the only one that had thus far fully justified its creation.[17]

While these various means were being provided to strengthen friendly relations between the Central American republics, President Zelaya of Nicaragua continued to show his unwillingness to maintain friendly relations with either his neighbors or the United States. President Davila of Honduras was under his thumb; Salvador was constantly threatened by his machinations. A British traveler who had spent much time in Central America declared that "all travelers, foreigners, and natives alike, who happened to be in Central America at this time, were well aware of the provocative part which President Santos Zelaya was playing; for many years he had been acting as the evil genius of this republic, and his misgovernment and brutalities to his own people met with general condemnation." [18] The ultimate result was a revolution, which started at Bluefields in October, 1909. At first the United States remained neutral, but when, in November, Zelaya ordered two Americans to be shot because they were serving as officers in the revolutionary army, the United States broke off diplomatic relations with his government. In his note to the Nicaraguan *chargé* Secretary Knox strongly denounced the Zelayan régime, declaring that it had almost continually kept Central America in tension or turmoil, that it had repeatedly and flagrantly violated the Washington conventions, and that it was a blot on the history of the country.[19]

Partly as a result of the American attiude, Zelaya was unable to put down the revolution, and he finally resigned, left the coun-

[16] For an account of the bureau's activities see W. F. Slade, "Federation of Central America," *Jour of Race Development,* Vol. VIII (Oct., 1917), pp. 234-241.

[17] D. G. Munro, *The Five Republics of Central America* (New York, 1918), p 225.

[18] P. F. Martin, *Salvador of the Twentieth Century* (London, 1911), p. 67.

[19] *For. Rel. of the U. S.,* 1909, p 455; see also President Taft's Message of December 7, 1909, *ibid.,* p. xvii.

try, and took refuge on a Mexican gunboat. The United States maintained an ostensible neutrality between President Madriz, who received the backing of the Zelaya faction, and Estrada, who headed the revolutionists; but when the Madriz forces wanted to bombard Bluefields, which they declared to be the vital base of the Conservatives, United States cruisers refused to permit it. The reason given was that foreigners would be the chief sufferers. But the result was a decided strengthening of Estrada's position. President Madriz protested both to President Taft and to President Diaz of Mexico; but Secretary Knox replied that the United States had taken only the customary step of prohibiting bombardment or fighting by either faction within the unfortified and ungarrisoned city of Bluefields, thus protecting the preponderant American and other foreign interests.[20] In August, 1910, Madriz gave up the struggle, and by the middle of the following month Señor Don Juan J. Estrada claimed to be in peaceful and unrestricted possession of the entire republic.

In its first note to the United States the new government promised that a general election would be held within a year and that the national finances would be rehabilitated, and to this end the Department of State at Washington was asked to obtain a loan secured by a percentage of the customs revenues, and to send a commission to Nicaragua to arrange the necessary formalities.[21] The United States thereupon appointed Mr. T. C. Dawson as special agent to Nicaragua to deal with the provisional government on these lines. The negotiations were successful, and a number of agreements were entered into which provided that Estrada should remain at the head of the government for two years, after which a free election should be held; that a claims commission, consisting of one Nicaraguan and one American and an umpire named by the American State Department, should be appointed to consider all unliquidated claims against the government; and that a loan secured by the customs receipts be raised in the United States.[22]

[20] *For. Rel. of the U. S.*, 1910, pp. 751-753.
[21] *Ibid.*, p. 762.
[22] *Ibid.*, 1911, p 625 *ff.*

A special loan convention embodied the latter proposal, and President Taft urgently recommended it as contributing to the peace of Central America; but it failed to receive the assent of the United States Senate.[23] A loan was none the less negotiated with American bankers, and an American, Mr. Clifford D. Ham, was put in charge of the collection of the customs to guarantee its repayment.[24] The claims commission was also appointed, and it began to work on May 1, 1911. The commission worked steadily for more than three years and passed upon almost eight thousand claims, scaling them down from a total of $13,750,000 to about $1,750,000.[25] The political part of the program, however, was a complete failure, and in less than six months President Estrada had resigned in favor of Vice-President Diaz. The latter soon found out that a reform program in Nicaragua could not be put through unless the president received outside support, and in a confidential letter to the American *chargé d'affaires,* written December 21, 1911, he confessed the need of more direct and efficient assistance from the United States. He proposed that the Nicaraguan constitution be so amended as to permit the United States to intervene in Nicaraguan internal affairs in order to maintain peace and the existence of a lawful government.[26]

Practical evidences of this need were soon given. On July 29, 1912, General Luis Mena, the Minister of War, engineered a *coup d'état* against the Diaz government with a view to seizing the executive power. Failing in his original attempt, he left the capital and organized an open rebellion against the government. Fearing that he would be unable to protect the property and lives of American citizens, President Diaz asked that "the Unied States guarantee with its forces security for the property of American citizens in Nicaragua and that it extend its protection to all the inhabitants of the republic." [27] President Taft thereupon ordered a small detachment of marines to be landed at Managua.

[23] *Ibid.*, 1912, pp 1071-1078.

[24] For an excellent summary of the events of this period, embracing particularly the financial arrangements, see D. G. Munro, *op cit*, Chap XI.

[25] Otto Schoenrich, *Amer. Jour. of Int. Law,* Vol. IX (Oct., 1915), p. 958.

[26] *For. Rel. of the U. S.,* 1911, p. 670.

[27] *Ibid.*, 1912, p. 1032.

When the president of El Salvador expressed the fear of serious complications if American troops should enter Nicaraguan territory, the State Department, in a note to the American minister at Managua, dated September 4, 1912, laid down the American policy in no uncertain language. "The policy of the government of the United States in the present Nicaraguan disturbances is to take the necessary measures for an adequate legation guard at Managua, to keep open communications, and to protect American life and property. In discountenancing Zelaya, whose régime of barbarity and corruption was ended by the Nicaraguan nation after a bloody war, the government of the United States opposed not only the individual but the system, and this government could not countenance any movement to restore the same destructive régime. The government of the United States will, therefore, discountenance any revival of Zelayaism, and will lend its strong moral support to the cause of legally constituted good government for the benefit of the people of Nicaragua, whom it has long sought to aid in their just aspiration towards peace and prosperity under constitutional and orderly government." [28]

The revolution that followed proved more serious than was at first expected, owing to the uprising of the Liberals of Leon, who threw in their fortunes with General Mena. The United States, however, could not afford to allow the Zelaya faction to triumph, and American marines were landed at Corinto, Granada, and Leon; they even went so far as to storm the position overlooking Masaya. The revolutionists could hardly hope to hold out against the government thus aided by the United States, and with the seizure of General Mena, and his internment in Panama, the uprising collapsed. President Diaz was reëlected for a four-year term to begin January 1, 1913. Although order had been completely restored and the Diaz government was in full control, a detachment of one hundred American marines was left in Managua, at the urgent request of the American minister, to act as a stabilizing influence.

On account of the Senate's failure to approve the loan convention, the financial situation was in even worse shape than be-

[28] *Ibid.*, p. 1043

fore. American bankers had made a loan of $1,500,000 for the establishment of the National Bank of Nicaragua, the reform of the currency, and the establishment of the claims commission; but the hoped-for loan of $15,000,000 was dependent upon the ratification of the convention.[29] As a solution of the difficulty, Nicaragua proposed, in December, 1912, to sell to the United States, for the sum of $3,000,000, the sole right to construct a canal through her territory. As an additional inducement to the United States, the right was given to construct a naval base in the Gulf of Fonseca and one on Corn Island.[30] When the Wilson administration came in, this treaty was modified so as to prevent Nicaragua from declaring war, from making treaties with foreign governments affecting her independence or territorial integrity, and from contracting public debts beyond her ability to pay; and it was also changed so as to grant the United States the right to intervene in her affairs, with a view to maintaining her independence and protecting life and property in her domain. The Senate refused to accept this full protectorate, and a new treaty without these provisions was signed on August 5, 1914. Again the Senate raised objections; but these were met, and the treaty was ratified on February 18, 1916, and proclaimed on June 24, following.

The Bryan-Chamorro treaty as finally approved makes the following provisions:

(1) the government of Nicaragua grants in perpetuity to the government of the United States, free from taxation, the exclusive rights necessary for the construction and operation of a canal by way of the San Juan River and the Great Lake or by any other route; (2) to protect American interests, Nicaragua leases to the United States for ninety-nine years the Great Corn and Little Corn Islands, and also grants the right to establish a naval base on such Nicaraguan territory bordering upon the Gulf of Fonseca as the United States shall select, with a right to obtain renewal of the grants for a similar period; (3) in consideration of these stipulations the United States agrees to pay the sum of $3,000,000 in gold;

[29] See the memorandum on Nicaraguan finances prepared for the Secretary of State, *ibid.*, 1913, p. 1040.

[30] *Ibid*, p. 1021. Mr Weitsel, the American minister to Nicaragua, 1912-13, and one of the signatories of this agreement, in a memorandum on the convention gives an excellent résumé of American relations with Nicaragua; see *Sen. Doc. No. 334*, 64th Cong., 1st Sess.

and (4) the following proviso is inserted: "Whereas Costa Rica, Salvador, and Honduras have protested against the ratification of the said convention, in the fear or belief that said convention might in some respect impair existing rights of said States, therefore it is declared by the Senate that in advising and consenting to the ratification of the said convention as amended, such advice and consent are given with the understanding, to be expressed as a part of the instrument of ratification, that nothing in said convention is intended to affect any existing right of any of the said named States." [31]

Despite this proviso, Costa Rica and Salvador continued to protest, and finally they attempted through the Central American Court of Justice to enjoin Nicaragua from carrying out the provisions of the treaty. Costa Rica based her case upon a treaty of limits between herself and Nicaragua, signed April 15, 1858, giving Costa Rica rights in the San Juan River and agreeing that she should be consulted before any contract should be entered into for the construction of a canal. This treaty had been held valid by President Cleveland in 1888. Costa Rica therefore argued that the present treaty would infringe her rights under the treaty of 1858.[32] El Salvador claimed an equal right with Honduras and Nicaragua in the Bay of Fonseca, and therefore asserted that Nicaragua had no right to alienate territory clearly jeopardizing and menacing her interests without her consent. Furthermore, the Washington conference of 1907 had proclaimed the neutrality of Honduras, including its rights in the Gulf of Fonseca; therefore, it was urged, this projected agreement for the establishment of a naval base there "is an attempt to violate, in a manner both flagrant and evident, the principle of the neutrality of Honduras, and to throw overboard the legal system instituted by the conference of Washington." [33]

Nicaragua denied the court's jurisdiction in the cases of both Costa Rica and El Salvador, but the court declared itself competent to take cognizance of them. The decision in the case of Costa Rica was handed down on September 30, 1916; that in the case of Salvador on March 2, 1917. In both cases the court held

[31] *U. S. Stat at Large,* Vol. XXXIX, Part II, p. 1661.

[32] *Complaint of the Republic of Costa Rica before the Central American Court of Justice* (Washington, D. C., 1916), Appendices G and N.

[33] *Complaint of the Republic of El Salvador before the Central American Court of Justice* (Washington, D. C., 1917), Appendices A and I.

that Nicaragua, by signing the Bryan-Chamorro treaty of August 5, 1914, had violated the rights of Costa Rica and Salvador, that she had also violated the treaty of peace and amity signed at Washington in 1907, and that she was under obligation to reëstablish and maintain the legal status existing prior to the Bryan-Chamorro treaty. In both cases, however, the court admitted that it was without competence to declare the Bryan-Chamorro treaty null and void, since its jurisdictional power extended only to establishing the legal relations among the "high parties litigant." [34]

The refusal of the United States, as well as of Nicaragua, to accept the decision of the court had a very bad effect on the standing of the United States with the other Central American countries. Since the United States refused to back the very agency for settling disputes to whose establishment it had given such hearty encouragement, simply because the decision interfered with her own selfish interests, how could the Latin-American republics feel much confidence in American expressions of friendly coöperation? When the question of renewing the convention to continue the court's existence came up, nothing could be done, owing to Nicaragua's withdrawal; and on March 17, 1918, the court was formally dissolved.[35] The Bryan-Chamorro treaty thus indirectly caused the downfall of the Central American court, thereby weakening the trend towards a closer relationship among these states which it has been the avowed policy of the United States to foster. In fact, when another attempt at federation was made in 1920, and a "treaty of union" was signed January 19, 1921, by representatives of Guatemala, Honduras, El Salvador, and Costa Rica, Nicaragua refused to enter because of her fears lest her rights under the Bryan-Chamorro treaty should be in some way jeopardized.[36]

It will be remembered that one of the principal results of the conference of Washington in 1907 was to establish the perpetual

[34] *Opinion and decision of the Court—the Republic of El Salvador against the Republic of Nicaragua* (Washington, D. C., 1917).

[35] For a detailed account of the Court's history see the scholarly article by Manley O. Hudson, "The Central American Court of Justice," *Amer. Jour. of Int Law*, Vol. XXVI, No. 4 (October, 1932).

[36] See the article by Dr. Ruben Rivera on the Central American Union in the *New York Times*, April 24, 1921.

neutrality of Honduras. But Honduras needed a strong government to maintain its neutrality, and before this could even be hoped for, its disorganized financial condition had to be remedied. By reason of a series of loans negotiated in Europe between 1867 and 1870, to the amount of about $27,000,000, upon which virtually no interest had been paid, the state found itself indebted to the stupendous sum of $125,000,000. In 1908 the Council of Foreign Bondholders proposed a refunding scheme whose terms Honduras considered too onerous; accordingly, she turned towards the United States. Secretary Knox immediately sought to interest American bankers in a project for refunding the debt, and J. P. Morgan and Co. agreed to attempt it. They found that the debt could be adjusted for about 15 per cent of its face value without interest; therefore by the issuance of $10,000,000 in 5 per cent bonds Honduras could wipe out both her external and internal debt, pay all claims, acquire and extend the inter-oceanic railway, and still have a balance of $2,500,000 for future internal development. Before making such a loan, however, the bankers demanded that the United States sign a loan convention with Honduras affording the necessary security to the bondholders.

Such a convention was signed January 10, 1911, by Secretary Knox for the United States and Señor Juan Paredes for Honduras. The two governments promised to consult in case of any difficulties, with a view to the faithful execution of the provisions of the contract. The loan was to be secured upon the Honduran customs, which were not to be changed during the existence of the contract without consent of the United States. The government of Honduras further agreed to appoint a collector of customs, who should be approved by the President of the United States, from a list of names submitted by the fiscal agent of the loan.[87] President Taft earnestly urged the Senate to assent to the convention, and Secretary Knox, in a statement before the foreign relations committee, May 24, 1911, laid down the basis of his policy as follows: "Shall the government of the United States make American capital an instrumentality to secure financial stability, and hence prosperity and peace, to the more backward republics in the neighborhood of

[87] Text in *For. Rel. of the U. S.*, 1912, p. 560.

the Panama Canal? And in order to give that measure of security which alone would induce capital to be such an instrumentality without imposing too great a burden upon the countries concerned, shall this government assume towards the customs collections a relationship only great enough for this purpose—a relationship, however, the moral effect and potentialities of which result in preventing the customs revenues of such republic from being seized as the means of carrying on devastating and unprincipled revolutions?" [38]

Despite this persuasive presentation of the advantages of dollar diplomacy, the Senate failed to agree to the convention; and the bankers refused to proceed farther. The Honduran congress also refused to ratify the convention, principally upon constitutional grounds. Although the original loan was unquestionably tainted with fraud, the lien existed, and Honduras could not establish herself upon a sound financial basis until some readjustment was made. The Morgan proposal, which was approved by a neutral expert whose services were sought by the State Department, seemed to offer an excellent opportunity for Honduras to make a new start. Yet the United States showed wisdom in refusing to urge the convention when the Honduran congress evidenced its overwhelming opposition.[39]

In its other diplomatic relations with Honduras during the year 1911 the United States was more successful. In January of that year General Manuel Bonilla staged a revolution against President Davila, and the latter, no longer having the assistance of Zelaya, asked the United States to intervene as arbitrator, and promised to deliver the presidency to any third party named or approved by the United States.[40] President Taft accepted the proposal and named Mr. T. C. Dawson as the special commissioner of the United States. A peace conference was held in February at Puerto Cortes on board the U. S. S. *Tacoma,* with Mr. Dawson presiding. A provisional government was organized, and Dr. Fran-

[38] *Ibid.,* p. 589

[39] An agreement with the British bondholders was approved by the Congress of Honduras in 1926 and regular service on the debt has been maintained since January, 1927.

[40] *For. Rel. of the U. S.,* 1911, p. 297.

cisco Bertrand was named as provisional president. Peace was restored, and President Taft received a vote of thanks "for his friendly mediation towards the reëstablishment of peace in the Republic of Honduras." [41]

The entrance of the United States into the European war stirred the Central American republics to enthusiastic manifestations of coöperation. All of these states, including Panama declared war on Germany except El Salvador; and she went so far as to declare a benevolent neutrality which permitted the use of her territorial ports and waters by the warships of the United States and the Allies. In the declarations of war the United States was usually expressly mentioned: "Guatemala assumes the same belligerent attitude as the United States"; "Nicaragua makes common cause with the United States"; even El Salvador, in announcing its attitude, declared that "El Salvador as an American nation could not fail to recognize, in the conflict between the United States and Germany, the solidarity which binds it to the great Republic of the North, . . . and that its condition of neutrality could not lead it to the point of considering the United States as a belligerent subject to the ordinary rules of international law." [42] During the peace negotiations the Central American republics boldly accepted the idealistic principles of President Wilson and entered the League of Nations, fearing not a jot lest they be thereby drawn into the broils of Europe.

The subsequent relations between the United States and the Central American states (with the exception of Panama and Nicaragua, which we shall consider later) have been comparatively uneventful. When, in 1917, Costa Rica broke her long and excellent record of domestic peace by a bloodless *coup d'état,* the United States refused to recognize the Tinoco government which engineered the movement. In spite of this attitude towards President Tinoco, the United States upon several occasions protested vigorously against the raising of armed forces in Nicaragua and Honduras against this

[41] *Ibid*, p. 304.

[42] John Barrett, *Latin America and the War* (Washington, D. C., 1919), p. 28; see also P. A. Martin, *Latin America and the War,* League of Nations, Vol. II, No 4, and P A. Martin, *Latin America and the War* (Baltimore, 1925).

de facto government of Costa Rica.[48] Tinoco fell from power in 1919, and the succeeding Acosta government, being legally organized, was duly recognized by the United States on August 2, 1920.

In 1920 the Cabrera régime in Guatemala, which had originally been put in power in 1898, was overthrown. Cabrera stoutly opposed the plan of a federal union which had once again become popular, and arrested many of its chief Guatemalan adherents. The Unionists seized Guatemala City, and, in spite of a serious bombardment by government forces in which hundreds were killed, they held out and finally deposed Cabrera. The United States asked that the deposed president's life be spared, and upon receiving satisfactory assurances recognized the new Herrera government. This administration worked strenuously in behalf of the new federation, and on September 15, 1921, the constitution of the Federation of Central America was signed by representatives of Guatemala, Honduras, and El Salvador. On October 10 the separate governments ceased to function and the Provisional Federal Council of the new state took over the executive powers. The dream of a century seemed at last to be fulfilled. Once more, however, hope was doomed to disappointment. The Herrera government was overthrown in December, 1921, and it dragged down with it the new federation before it had been given an opportunity to prove its value.

Nevertheless, hope was only deferred, and the following year brought about a new attempt at coöperation which was to have important results. In view of the differences of opinion arising regarding the status of the treaty of peace and amity of 1907, the presidents of the three republics, Honduras, El Salvador, and Nicaragua, were invited to meet with the diplomatic representatives of the United States to these republics on the U. S. warship *Tacoma* in the Gulf of Fonseca. The result of the meeting was incorporated in the so-called Tacoma Agreement under date of August 20, 1922. The substance of this agreement might be summarized as follows: (1) the three participating states regarded the treaty of 1907 as still in force; (2) the clauses prohibiting political

[48] *Sen. Doc. No. 77*, 66th Cong., 1st Sess.

refugees from utilizing a neighbor's territory for preparing expeditions were to be rigorously applied; (3) the three presidents agreed to summon a new conference of the five Central American states to bring about closer coöperation "which would tend to make really practicable the political unification of Central America"; and (4) in order to make effective their purpose of maintaining peace in Central America the signatory presidents agreed to submit to arbitration all present and future disputes. The presidents of the republics of Guatemala and Costa Rica were to be invited to adhere to this convention.[44]

The United States was interested in the proposal for a new conference and issued an invitation to the five republics to convene in Washington on December 4, 1922, to negotiate treaties to make effective the provisions of the 1907 treaties which experience had shown to be most useful, and also to adopt measures for the limitation of armaments in Central America, and to work out a plan for setting up tribunals of inquiry for the consideration of disputes which diplomacy had failed to settle.

Under the chairmanship of Secretary of State Hughes, the delegates of the five republics worked from December 4, 1922, until February 7, 1923, upon these proposals, and the results were incorporated in some fifteen agreements which comprised a general treaty of peace and amity, eleven conventions, two protocols, and a declaration.[45]

The general treaty of peace and amity which abrogated all previous agreements formulated by Central American conferences was largely concerned with eliminating the causes of friction between and revolution within the signatory states. Constitutional changes in one were deemed to be of interest to all, consequently not only were *coups d'état* and revolutionary activities frowned upon, but strict injunction was laid upon all against recognition of unconstitutionally chosen governments. Intervention in civil wars, or in the internal political affairs of any other Central American Republic, was strictly prohibited, and each government agreed to

[44] *Conference on Central American Affairs* (Washington, D. C., 1923), pp. 6-10.

[45] For texts see *ibid.*, Appendix.

adopt effective measures to prevent the fomenting or organizing of political activities within its territory against a neighboring government. The principle of non-reelection of presidents and vice-presidents was accepted, and all agreements and treaties were to be published. The treaty was to remain in force until 1934 and then continue indefinitely until denounced with due advance notice. The treaty lasted until the end of 1933 when it was denounced by El Salvador and Costa Rica in order that the latter state might recognize the government of General Martinez who had been named President of El Salvador by a military junta in December, 1931. Early in the following year Guatemala, Honduras and Nicaragua followed the lead of Costa Rica in the recognition of the Martinez régime. When the Central American republics showed their intention so unanimously to accept the *coup d'état* method of setting up governments, it was no longer the part of the United States to follow a different policy. With our recognition of the Martinez government, the General Treaty of Peace and Amity was abrogated at least as regards the policy of non-recognition of governments established by revolution against the constitutional régime.[46]

Mention should also be made of the convention providing for the reëstablishment of an International Central American Tribunal. Instead of again setting up a permanent court as established by the treaty of 1907, a panel system of judges modeled upon the Hague Court system was adopted. The powers agreed to submit all present or future controversies not settled by diplomatic means to the court, although it was provided that "controversies or questions which affect the sovereign and independent existence of any of the signatory republics cannot be the object of arbitration or complaint." When in 1928 a long standing boundary dispute between Guatemala and Honduras[47] flared up again the State Department recommended that the question be referred for settlement

[46] A Treaty of Central American Fraternity was signed by the five republics at a conference in Guatemala City March 15-April 12, 1934, supplementing the 1923 treaties which outlawed war, recognized the principle of non-intervention and upheld the ideal of a future Central American Union.

[47] For a detailed statement see *Foreign Relations of the United States,* 1917, pp. 760-801.

to the International Central American Tribunal. Honduras refused on the ground that the panel of judges was not adequate, and the case was settled in 1933 by a special arbitral tribunal under the chairmanship of Chief Justice Hughes.[48]

Another of the conventions recast, unified, and to a considerable extent weakened the co-called Bryan Commission of Inquiry Treaties of 1913 and 1914 between the United States and the five Central American Republics.[49] In the new convention, instead of five permanent commissions of five members each, there was provided a panel or permanent list of thirty commissioners, five from each state, and a commission of inquiry was to be formed only upon request of one party directly interested in the elucidation of the facts. Such a commission of inquiry was to consist of one of the nationals of each interested country selected from the permanent list and a president chosen by them from the neutral names on the list. The machinery was undoubtedly simplified and improved, but whereas the former treaties for the advancement of peace subjected "all disputes . . . of every nature whatsoever" to a commission of inquiry, the new convention excluded questions affecting the sovereignty, independence, honor, and vital interests of the signatory states. The new convention has been in force since June 13, 1925, for Costa Rica, Guatemala, Honduras, Nicaragua, and the United States.[50]

Although the conference did not attempt to set up a federal system, the various conventions relative to the establishment of uniform labor laws, coöperation in agricultural stations, extradition, the exchange of students, and the establishment of free trade between Guatemala, El Salvador, Honduras and Nicaragua laid a foundation for a closer union of the republics.[51]

[48] *Guatemala-Honduras, Special Boundary Tribunal. Opinion and Award* (Washington, D. C., 1933).

[49] Neither Nicaragua nor El Salvador ratified the Bryan Treaties, and Honduras failed to set up the commission provided.

[50] *U. S. Treaty Series,* No. 717.

[51] For a detailed account of the conference see "The United States and Central American Revolutions," *Foreign Policy Association Reports,* Vol. VII, No 10 (July 22, 1931)

On account of intervention of the United States in a boundary dispute between Panama and Costa Rica, the relations between the United States and Panama during 1921 became exceedingly strained. The trouble was of long standing, and the disputed area included sections on both the Pacific and Atlantic sides of the Cordillera. In 1900 the two states had submitted the dispute to President Loubet of France, who fixed a line running from Mona Point on the Atlantic to Burica Point on the Pacific, giving to Costa Rica the Coto region on the Pacific, which had been in Panama's possession for many years, and giving Panama a strip of land on the Atlantic side bordering the Sixaola River.[52] As shown by Article I of the Porras-Anderson treaty, signed through the mediation of the United States at Washington on March 17, 1910, the award on the Pacific side was accepted by both parties. But in regard to the rest there was a disagreement, and by the terms of this same treaty both parties agreed to submit the interpretation to the Chief Justice of the United States and bound themselves to abide by his decision. Article VII specifically states that "the boundary line between the two republics as finally fixed by the arbitrator shall be deemed the true line and his determination of the same shall be found conclusive and without appeal.[53]

Chief Justice White announced his award on September 12, 1914, after a commission of American engineers, chosen in accordance with the terms of the convention, had made a prolonged and careful survey. The award gave to Costa Rica a portion of the territory claimed by Panama and to Panama a portion of the territory claimed by Costa Rica.[54] Panama, however, refused to accept the award, on the ground that the Chief Justice had exceeded his jurisdiction as arbitrator. Nothing was done to carry out the award until February 21, 1921, when Costa Rica invaded and seized the Coto region given to her by the Loubet award and conceded to her by Panama in the Porras-Anderson treaty. Panama speedily recaptured the region; but Costa Rica mustered an army

[52] For a complete summary of the dispute from 1825 to 1909, including the text of the Loubet award, see *For. Rel of the U. S.*, 1910, pp. 785-791.

[53] *Ibid.*, p. 820

[54] For text of the award see *British and Foreign State Papers*, 1914, Part II, pp. 429-465.

and threatened war. Secretary Colby immediately protested against the use of force; and on the day after he entered office, Secretary Hughes was compelled to give consideration to the question. In a reply to a note from Panama, dated March 4, 1921, and requesting a declaration of the manner in which the United States understood its obligation to maintain the independence of Panama in the light of the Hay-Bunau-Varilla treaty, the new Secretary of State sent identic notes to Panama and Costa Rica, calling upon both countries to suspend hostilities until the United States could consider the question and propose a peaceful solution.

Secretary Hughes studied the matter carefully, and on March 15, in a long note to the American minister in Panama, he made clear the position of the United States. After reviewing the background of the case and the successive steps towards settlement, he reported that he could find no basis for the contention that the arbitrator had exceeded his powers; the award, therefore, by the terms of the Porras-Anderson treaty, became, he declared, "a perfect and compulsory treaty between the high contracting parties." Under these circumstances, he continued, "the government of the United States feels compelled to urge upon the government of Panama, in the most friendly but most earnest manner, that it conclude without delay arrangements with the government of Costa Rica for the appointment of the Commission of Engineers provided for by the terms of Article VII of the Porras-Anderson treaty, in order that the boundary line laid down by the decision of Chief Justice White may be physically laid down in a permanent manner and in accordance with the findings of the award." [55]

President Porras refused to accept Secretary Hughes' decision and appealed directly to President Harding. When the latter sustained his Secretary of State, President Porras called a special session of congress, which backed him in defying the United States. Costa Rica, on the other hand, expressed gratitude for the prompt and efficacious mediation on the part of the United States. Early in May, Secretary Hughes despatched another note to Panama, saying that, unless she settled the boundary dispute promptly in accordance with the White-Loubet award, the United States would

[55] *New York Times*, March 18, 1921.

take necessary steps to give effect to the physical establishment of the boundary line. The United States realized that it was bound by treaty to protect the independence and territorial integrity of Panama, but could hardly guarantee the integrity of a country whose boundary shifted according to the caprice of the government.

Panama, still protesting, sent a special mission to Washington and finally proposed that the White award be submitted to the Hague Tribunal to see if it was within the terms of the arbitration. Secretary Hughes refused, and on August 18, 1921, he sent a note declaring there was no reason why Costa Rica should delay in taking possession. American marines were despatched to maintain the peace, and Panama, under protest, ordered her civil authorities to leave. Chief Justice Taft appointed two engineers to work with those to be appointed by Costa Rica and Panama to delimit the boundaries; but Panama refused to name her member of the commission. On September 9 the State Department announced that Costa Rica had taken possession of the disputed region.[56]

Diplomatic relations between the two countries were not resumed until 1928, and no further action towards a mutually acceptable settlement was taken until 1938. A treaty signed at San José, Costa Rica, September 26, 1938, established a boundary line which followed the White award from the Atlantic to Cerro Pando and the Loubet award from Cerro Pando to the Pacific. This required concessions by both states and seemed a reasonable compromise. However, President Castro of Costa Rica, threatened by serious opposition, withdrew the treaty from Congressional consideration, and President Arosema of Panama quickly followed suit. A final settlement is still to be obtained.

Of all the Central American republics, Nicaragua in recent years easily takes first place as the administration's principal *trouble fête* in the conduct of American foreign relations in the Caribbean.[57] It will be remembered that after 1912 a small de-

[56] A detailed critical analysis is given in W. D. McCain, *The United States and the Republic of Panama* (Durham, N. C., 1937), Chaps. VI, X.

[57] For an official account see *The United States and Nicaragua—A Survey of the Relations from 1909 to 1932*, Department of State, Latin American Series, No. 6.

tachment of American marines was ordered to remain in Managua as a counter-irritant to revolutionary symptoms, particularly of the Zelaya type. President Díaz, a Conservative, continued to prove himself most friendly to American interests, but the Liberals were discontented, and in 1916, nominated Dr. Irís, a close follower and a friend of Zelaya. The Conservatives chose Emiliano Chamorro, an able man who had served in a most acceptable fashion as Nicaraguan minister at Washington. Unwilling to see any one connected with Zelaya returned to power, the United States actively supported the candidacy of General Chamorro, who was consequently elected.

It is almost an axiom of Latin-American politics that the only certain way to win an election against a candidate supported by the party in power is by a revolution, for the party which controls the election machinery *ipso facto* receives the votes. When the party in power had also the moral support of a hundred American marines in the capital, its chances of success became a certainty. Such a situation to a certain extent placed the United States in the position of supporting the administration in power. To avoid this accusation, the United States Department of State in 1920 suggested to President Chamorro that the election laws be revised; but with the elections at hand the suggestion was not regarded as appropriate, and once more the Conservatives put their candidate in office.

Nevertheless the United States persisted in its efforts, and in 1922 Dr. H. W. Dodds was appointed as an expert to draft a new electoral law. Such a law was drawn and adopted by the Nicaraguan Congress, and the registrations under this law for the 1924 elections were carried on with very few charges of fraud.[58] But a split now occurred among the Conservatives when General Emiliano Chamorro returned from Washington, where he had again been acting as minister, and decided to run for president against the wishes of the Conservatives in power headed by President Martínez. The latter, unable to stand for reëlection, owing to the restriction of the constitution, formed a coalition with the Liberals and sup-

[58] H. W. Dodds, "The United States and Nicaragua," *Annals of Amer. Acad.*, Vol. CXXXII (July, 1927), p. 137.

ported Carlos Solorzano, a Conservative, for president, and Dr. Juan B. Sacasa, a Liberal, for vice-president. The United States was willing to supervise the election, but the administration opposed, and the coalition won by a substantial majority and in the old-style manner.

The United States had already given notice of its intention to withdraw the marines on the first of January, 1925, but at the earnest request of President Solorzano they were permitted to remain until a constabulary might be established under the supervision of Major Carter of the United States Army.

The marines were withdrawn on August 4, 1925, and in less than a month General Chamorro had begun a revolution against the government. Gaining control over the army, and seizing the forts overlooking Managua, he expelled unfriendly members of the Assembly, had himself appointed designate for the presidency, and forced the resignation of President Solorzano.[59]

Inasmuch as such a *coup d'état* was a flagrant violation of the Washington conventions of 1923, the United States not only refused to recognize the Chamorro régime but made representations through our *chargé d'affaires* expressing disapproval of the Chamorro course of action. The four Central American states followed the United States in their refusal to recognize the revolutionary government. The failure to receive recognition weakened the Chamorro government, and in October, 1926, at the suggestion of Admiral Latimer, who had been sent to Bluefields with his squadron at the request of the State Department, an armistice was arranged, and a conference took place between representatives of Liberal and Conservative factions at Corinto on the U. S. S. *Denver*. Although no agreement was reached, owing to pressure put upon Sacasa by Mexico, General Chamorro realized his inability to remain in power, and named Senator Uriza, the second designate of the Congress, as his successor. When the United States refused to grant recognition to him, he summoned an extraordinary session of the Congress to select a new designate. According to Henry L. Stimson, whom President Coolidge sent as his personal repre-

[59] For a succinct summary of the facts see President Coolidge's message to Congress of Jan. 10, 1927, *Cong. Record*, Vol. 68, Pt. 2, p. 1324.

sentative with full powers to investigate and suggest a solution of the Nicaraguan situation, this Congress, taking into consideration that President Solorzano had resigned, and that Vice-President Sacasa was out of the country, legally selected Adolfo Díaz as first designate.[60] Señor Díaz was inaugurated on November 14, and the next day he appealed to the United States to aid him in the protection of the interests of American and other citizens, agreeing in advance to approve any means chosen by the State Department.[61] Two days later he was accorded recognition by the United States. The European governments followed the lead of the United States in recognizing Díaz, while Mexico, Guatemala, Costa Rica, and most of the South American states withheld recognition.

Supported by the United States, Díaz claimed that his election was legal in that the constitution of Nicaragua provides that if the vice-president is unavailable, the Congress is authorized to entrust the office to one of its members whom it shall designate. Vice-President Sacasa however declared that he was "ruthlessly pursued after the Chamorro-Díaz coup against the legitimate president, Solorzano," and obliged to leave Nicaragua; that, inasmuch as Díaz aided in the overthrow of the Solorzano-Sacasa régime, according to the Washington compacts he had no more right to the presidency than had Chamorro; that just as soon as it was possible after the resignation of President Solorzano he had returned to the country to assume the presidency, and had set up a government at Puerto Cabezas (Dec. 2), but that its operations were daily obstructed by the American forces.[62] Incidentally, the Mexican government had recognized Sacasa as the constitutional president shortly after his inauguration by the Liberals.

The Liberals now began a bitter struggle to oust Díaz, with substantial aid of arms and ammunitions from Mexican sources.[63] The United States increased its squadron in Nicaraguan waters to fifteen warships and authorized the shipment of war materials to the Díaz government. Landings of marines were made and neutral

[60] H. L. Stimson, *American Policy in Nicaragua* (New York, 1927), p 26.
[61] Message of President Coolidge, *loc. cit.*, p. 1325.
[62] *New York Times*, Jan. 10, 1927.
[63] See speech of President Coolidge, *loc. cit.*

zones established at various points, particularly in the region controlled by the Liberals. For a time even a radio censorship was established by Admiral Latimer.

Criticism of the intervention of the United States now became so severe, both in the press and in Congress, that the State Department was sorely pressed to find reasons satisfactory to the public for its policy. The first landing of troops was declared to be solely for the protection of American lives and property, but there was little evidence that American lives and property were in jeopardy. A few days later our canal rights under the Bryan-Chamorro treaty were cited, but the Liberals had in no way impaired them. Two weeks later it was stated that both British and Italian governments had requested American protection for their nationals. On January 10, 1927, in a message to Congress, President Coolidge gave a clear and impartial statement both of the facts and the administration's handling of the situation. In addition to the reasons already given, he cited the shipment of arms and munitions from Mexico as especially provocative, declaring that "the United States cannot fail to view with deep concern any serious threat to stability and constitutional government in Nicaragua tending toward anarchy and jeopardizing American interests, especially if such state of affairs is contributed to or brought about by outside influence or by any foreign power." [64]

The good impression made by this speech was largely nullified by the statement given to the press by Secretary of State Kellogg on January 12, 1927, following his testimony at an executive session of the Senate Committee on Foreign Relations, which was then holding hearings on the Mexican and Nicaraguan situation.[65] The specter of Russian Bolshevist activity in Latin America was conjured but the ghost refused to walk. Resolutions of the Congress of the Red International of Trade Unions and the executive committee of the Communist International against American imperialism, some of them passed several years before, had lost their potency to inspire the fears of the Mitchell Palmer period—particularly as Foreign Minister Saenz of Mexico pointed out that the Mexican

[64] *Ibid.*, p. 1324.
[65] *Ibid.*, p. 1649.

Federation of Labor had protested against the alleged propaganda activities of the Soviet Minister to Mexico on the very evidence cited by Secretary Kellogg. In the language of Senator Frazier, it was a flimsy document making a fantastic charge.[66]

But something had to be done to assist Nicaragua, which was rapidly becoming completely demoralized by the revolutionary activities of the two factions. On March 31, 1927, at the suggestion of the State Department, President Coolidge appointed Mr. Henry L. Stimson, former Secretary of War, as his personal representative to go to Nicaragua and investigate the situation with a view to working out a solution of the difficulty if possible. Mr. Stimson conferred with American Minister Eberhardt, with Admiral Latimer who commanded the naval forces, and with the responsible leaders of both factions. He found both sides willing, and even desirous, of American assistance to end the deadlock.

President Díaz finally, on April 22, agreed to make peace with the Liberals on the following terms: (1) Immediate general peace in time for the new crop, and delivery of arms simultaneously by both parties to American custody; (2) General amnesty and return of exiles and return of confiscated property; (3) Participation in the Diaz cabinet by representative Liberals; (4) Organization of a Nicaraguan constabulary on a non-partisan basis commanded by American officers; (5) Supervision of elections in 1928 and succeeding years by Americans, who will have ample police power to make such supervision effective; (6) Continuance temporarily of a sufficient force of marines to make the foregoing effective.[67]

Mr. Stimson thereupon arranged a conference with representatives of Dr. Sacasa, who agreed to the arrangement, provided it was acceptable to General Moncada, the Liberal general in the field. A conference in Tipitapa between Mr. Stimson and General Moncada took place on May 4, and the result was an acceptance on the part of the Liberal general, provided the United States would declare in a written statement that the retention of General Díaz and a general disarmament were regarded as essential conditions of the plan. This would make it easier for him to persuade his

[66] *Ibid.*, p. 5523.
[67] H. L. Stimson, *op. cit.*, pp 63-64.

troops that they could not hope to overthrow Díaz. Mr. Stimson immediately gave such a written assurance. Finally, in a more detailed statement dated May 11, Mr. Stimson promised a free, fair, and impartial election under American auspices in 1928, and pointed out that he had recommended changes in the Supreme Court and the Congress to the advantage of the Liberals, and the appointment of Liberal *jefes políticos* in the six Liberal districts. He had already received assurance that these reforms would be carried out.[68]

General Moncada accepted the arrangement in a formal statement, and within a week Liberals and Conservatives had turned over some 9,000 rifles, 300 machine guns, and 6,000,000 rounds of ammunition. The one source of trouble was a General Sandino, who, retreating to the north with his force, on July 16 attacked a detachment of marines and constabulary at Ocotal near the Honduran frontier. His repulse with heavy losses aroused a considerable stir in the United States, but General Moncada in a public statement disavowed Sandino as a renegade Liberal at the head of outlaw mercenaries.

As a proof of the fairness of the elections held November 4, 1928, under the general supervision of General Frank R. McCoy,[69] General Moncada, regarded as hostile to the United States, was elected president by a majority of almost 20,000.[70] He was inaugurated on January 1, 1929, and one of his first official acts was to appoint Dr. Sacasa as Minister of Nicaragua in the United States. President Moncada also approved the agreement signed December 22, 1927, creating a Guardia Nacional in place of a national army, with the understanding that it was to be trained and under the command of an American officer subject to the sole direction of the President of Nicaragua.[71] It was also understood that all American marines should be withdrawn just as soon as the Guardia should be able to police and protect the state effectively. In fact, the Department of State announced February 13, 1931, that it was

[68] *Ibid.*, pp. 81-83.

[69] General McCoy was nominated by President Coolidge at the request of President Díaz.

[70] H. W. Dodds, *op. cit.*, p. 91.

[71] *Ibid*, p. 100.

hoped that all the marines except officers instructing the Guardia would be withdrawn by June of that year and the officers would leave after the 1932 elections. In fact, by April 1, 1932, the marine force had been reduced from its maximum of 5,673 to 753 marine and naval personnel, exclusive of the 205 officers in the Guardia Nacional.[72]

Unfortunately for the peaceful development of Nicaragua, General Sandino continued his policy of raiding and pillaging towns and villages in the mountainous interior. Taking advantage of the fact that the earthquake on March 31, 1931, had engaged all available Guardia and marines in relief work in Managua, he struck on the east coast and sacked the town of Cabo Gracias. During this raid, many civilians were murdered, including nine Americans. Disturbed by this situation, on April 17 Secretary Stimson informed American citizens that their government could no longer protect them in the interior of Nicaragua with American forces, therefore it urged them, if they felt themselves endangered, either to withdraw from the country or at least to the coast towns.[73] This new policy, so different from that expressed by President Coolidge in 1927, was heartily commended by Senators Borah, Capper, LaFollette and Norris, but bitterly denounced by Senator Johnson. Shortly afterwards Secretary Stimson explained that his new policy was primarily due to the fact that the marines were unable to penetrate the trackless jungles where the Sandinistas operated, whereas the expanded Nicaraguan gendarmerie were being trained and equipped to stamp out this banditry in the early future. In the meantime naval vessels would stand by at all threatened ports and we would "continue to be zealous in our concern for the lives of our nationals wherever they may be found." [74]

When in April, 1932, in a raid near Ocatal four American marines and an officer were killed, Senator Lewis of Illinois introduced a resolution demanding the withdrawal of all American troops from Nicaragua. However, as the American government

[72] *Ibid.*, pp. 107-108.
[73] U. S. Department of State, *Press Releases*, April 17, 1931.
[74] *Ibid.*, April 18, 1931.

was already pledged to supervise the 1932 elections, such a procedure was not regarded as feasible. The elections were held November 6, 1932, with the assistance of about 400 American marines under the supervision of Rear Admiral Clark H. Woodward, U. S. N., who served as chairman of the Board of Elections. The elections provoked practically no disorders and Dr. Sacasa was elected by a majority of about 23,000 over his opponent Díaz, who was considered the "Americanista" candidate. Almost immediately after the elections the United States commenced to withdraw the marines and on January 2, 1933, the day after President Sacasa's inauguration, the last contingent of officers and men embarked at Corinto.

President Sacasa immediately began negotiations with General Sandino, who had carried on his guerilla warfare until the marines had left. On February 2, 1933, an agreement was signed whereby the Government granted General Sandino and his followers amnesty and compensation in return for which he undertook to disarm all of his forces except one hundred men who were to be incorporated into the Guardia. He declared that he had never been animated by a spirit of ill will towards the United States, but had fought patriotically to end foreign intervention. Following clashes between his followers and the National Guard in the fall of 1933, it was demanded in January, 1934, that General Sandino surrender all his arms. Invited to discuss the matter with President Sacasa at the presidential palace February 21, 1934, General Sandino and his brother and his two aides were seized by guardsmen as they left the palace grounds and murdered in cold blood. No serious effort was made to discover or punish those responsible for the killing. In fact, General Somoza, Commander of the Guardia Nacional, who was accused by followers of Sandino as being responsible, was able by threats and coercion, despite his constitutional disability as head of the Guard, and as being related to President Sacasa, to have himself elected to the presidency in 1936.

Subsequent relations with Nicaragua have been concerned with renewed trouble between Nicaragua and Honduras over their boundary line. By a convention between Nicaragua and Honduras

signed October 7, 1894, a joint commission was named to demarcate the boundary. When a dispute arose over the marking, the King of Spain was chosen to arbitrate and his award was made December 3, 1906. This settlement was accepted by Honduras but not by Nicaragua. The United States urged a settlement in 1914, and again in 1918 it offered to mediate, but it was only able to obtain a temporary acquiescence of the *status quo*. Finally, in 1931, a new boundary protocol was signed accepting the award of the King of Spain and appointing a commission composed of three engineers —one named by each government—and the chairman by the United States. Honduras ratified this protocol, Nicaragua did not.[75] The dispute was kindled again in September, 1937, when the Nicaraguan government issued a series of air-mail stamps picturing a map upon which the area in controversy was shown as Nicaraguan. When Honduras protested vigorously the United States on October 20, following the procedure outlined at the Buenos Aires Conference, tendered its good offices in association with the governments of Costa Rica and Venezuela. The offer was accepted and on December 10, 1937, a pact of reciprocal agreement was signed in San José, Costa Rica, whereby Nicaragua and Honduras agreed to withdraw their troops from the frontier, to refrain from further military preparations or purchase of arms, and to settle their differences by peaceful means in accordance with the Convention of 1929. Dr. Frank P. Corrigan, United States Minister to Panama, who served as chairman of the conciliation commission, made a valiant but vain effort to effect a settlement before the agreement expired on December 10, 1939. The question still awaits a permanent solution.

The critical situation of Europe in 1939 brought about an even closer relationship between the United States and the Central American Republics. Shortly after his inauguration as president in 1939, President Somoza of Nicaragua made a visit to the United States where he was cordially received by President Roosevelt and invited to address both houses of the Congress. As a result of his visit an elaborate program of coöperation for the development

[75] H W Dodds, *op cit.*, pp. 109-111.

of Nicaragua with the assistance of the United States was worked out. In return for Nicaragua's promise to encourage the investment of American capital, to utilize American technical advisors, and to provide dollar exchange for its customs bonds of 1918, the United States agreed to send to Nicaragua army engineers to study the feasibility of a trans-Nicaraguan waterway to link the east coast with the populous interior of the Pacific. The Export-Import Bank agreed to set up credits of $2,000,000 to purchase machinery and supplies for the construction of highways and other production projects and also to make available a revolving fund of $500,000 for emergency needs.[76]

A very vital feature of Caribbean defense was the section of the Inter-American Highway linking the United States with the Panama Canal. This roadway from Laredo, Texas, to Panama was 3,252 miles long and by the end of 1941 substantial progress had been made towards its construction.[77] On December 26, 1941, the Congress of the United States passed an act authorizing the appropriation of a sum not to exceed $20,000,000 to enable the United States to cooperate with the Central American Republics in the completion of the Inter American Highway within their borders. Under the grant the United States was prepared to assume two-thirds of the total expenses incurred in each country for the survey and construction of the highway.[78] In order to speed up construction an arrangement with the five Central American states and Panama was announced on July 28, 1942, providing for the immediate linking by a pioneer road of the already completed segments between the Mexican-Guatemalan border and Panama City. This meant the immediate construction of approximately 625 miles of new all-weather pioneer road.[79] The pioneer

[76] U. S Department of State, *Press Releases,* Vol. XX (May 27, 1939), p 439. Further supplemental arrangements were agreed upon April 8, 1942—*Department of State Bulletin,* Vol VI (April 25, 1942), p 368.

[77] The road was completed from Laredo to beyond Mexico City, and Mexico was building to the Guatemalan border. The Guatemalan section was passable; the Salvadoran was the first Central American section finished; and Costa Rica and Nicaragua were well along in their sections

[78] *United States Stat. at Large,* Vol. 55, p. 860.

[79] *Department of State Bulletin,* Vol. VII (August 1, 1942), p. 661.

road was expected to be completed by the summer of 1943. When it is finished, this road is expected to relieve materially the transportation problems which had been increased by the outbreak of war.

All of the Central American Republics declared war against Japan on December 8, 1941, and on Germany and Italy by December 12. At the Rio Conference they supported the United States unanimously. All were granted essential requirements under lend-lease agreements and all except Honduras requested and were granted military, naval, or air missions. Agreements for the production of rubber were signed with each one of the Central American Republics according to the terms of which the United States would purchase all rubber produced which was not required for essential domestic needs for a period of five years. Although all of these republics were dictatorships, they were strenuously opposed to the totalitarian systems abroad and were willing and eager to cooperate and even to fight to protect the American system in the Western Hemisphere.

Inasmuch as the term "dollar diplomacy" seems to have originated, and to have a special significance in relation to the Caribbean region, it is worth while to look briefly into the figures showing the value of products and trade of the Central American republics. All of these states are essentially agricultural and limited in their range of products. In fact, the raising of coffee and bananas has proved to be so suited to their soil and climate that these two crops have come to be grown almost exclusively. Honduras is almost entirely sustained by the banana industry; while El Salvador is almost equally dependent upon her production of coffee. Guatemala and Costa Rica raise great quantities of each, while Nicaragua receives as much income from her export of coffee as from all her other exports combined. Considering the fact that the banana industry has been developed by the enterprise of United States citizens and has been built up and supported by their capital, and that a large amount of American capital is also invested in the Central American coffee plantations, it is evi-

dent that the American government cannot wholly ignore the investment interests of its citizens in this quarter.[80]

Immediately after and partly resulting from the first World War, the United States had become by far the greatest customer of the Central American states. In the year 1920 the United States consumed about two-thirds of all the Central American exports and furnished to these republics more than three-fourths of their imported goods.[81] In fact, the United States had increased her total trade from about 35 million dollars in 1913 to over 120 million dollars in 1920.[82]

Nevertheless, by its wholly unreasonable Hawley-Smoot tariff bill the United States succeeded in almost wiping out this favorable position which she had held in the Central American market. For example, El Salvador, which in 1925 did a business with the United States valued at over 11 million dollars, in 1934 was doing just about one-half that amount. Our trade with Costa Rica in 1925 was also worth about 11½ million dollars; in 1934 it was worth a little over 5 million. Guatemala, with whom in 1925 we carried on the greatest volume of trade—valued at over 20½ million dollars—was only doing 8½ million dollars' business with us in 1934. Even though the depression accounted for a part of this loss, a comparison with the trade of Great Britain and Germany with Central America for the same period indicates that we lost at a considerably greater ratio than did they.

Secretary of State Hull was particularly desirous of remedying this situation in the Caribbean region. The first reciprocal trade agreement with a Central American state was signed with Honduras, December 18, 1935. During the year 1936 similar agreements were signed with Nicaragua, Guatemala, and Costa Rica. El Salvador was brought into the trade agreement group on February 19, 1937. The results were soon manifest. In every country except Honduras, the 1938-39 average total trade between the United States and these countries showed a substantial increase

[80] For an interesting account of the banana industry as developed by the United States Company, see F. U. Adams, *Conquest of the Tropics* (New York, 1914).

[81] *Statistical Abstract of the United States, 1920*, p. 838.

[82] *Bulletin of the Pan American Union* (January, 1922), pp. 48-49.

over the 1934-35 level. The increase amounted to 32 per cent in the case of Nicaragua, 49 per cent for Salvador, 91 per cent for Guatemala, and 110 per cent for Costa Rica. Even Honduras by 1940-41 had increased her trade with the United States both proportionately and in value.[83] By 1940 the entire Central American block was doing approximately two-thirds of its trading with the United States and the ratio was steadily increasing. Furthermore, in every country the value of its trade with the United States exceeded the 1925 levels.[84]

Compared with the total commerce of the United States, these figures may seem insignificant. But it must be remembered that, with perhaps the exception of Costa Rica and El Salvador, the Central American countries are comparatively undeveloped. Gold and silver are found in all of the republics, and there are large undeveloped deposits of copper, iron, lead, and zinc in certain sections. The raising of sugar and cacao has been very successful, and there are great possibilities for both of these crops. All of the countries need better transportation facilities, and they should furnish an increasingly excellent market for agricultural machinery. By geographical location the United States is ideally placed to do business with them. By chance or predilection, the people of the United States are the greatest consumers of coffee, bananas, sugar, and cacao, the leading products of their soil. By industrial development, the United States is best fitted to supply these countries with cotton goods and manufactured goods of iron and steel. Having constructed the Panama Canal, the United States must obviously take more than a passing interest in their economic as well as their diplomatic relations.

Central America needs and desires the financial support of the United States, but it wants no interference politically. Capital, however, cannot be obtained at fair rates without reasonable guaranties. The United States has always stood staunchly for the territorial integrity and political independence of its Latin-Ameri-

[83] S. S. Jones and D. P. Myers, *Documents on American Foreign Relations* (Boston, 1940), Vol. II, p. 455.

[84] For the latest figures see the *Foreign Trade Series* published by the Pan American Union giving the trade of each state individually.

can neighbors, and it is to be hoped that it will always do so. But it is equally obligated to protect the rights of its nationals who have legitimately invested their capital in adjacent lands—oftentimes at the invitation of the government in power—when that government is no longer able to afford them protection. The United States, therefore, should formulate a policy for the Caribbean whereby all may know that its ultimate aim is to enable its weaker neighbors to work out their own problems in their own way. Interventions have been formally disclaimed, equality of economic opportunity offered, joint consultation provided if the situation demands. Only mutual confidence is needed for the United States to aid the republics of Central America immeasurably in their struggle towards democratic stability and economic well being.

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CHAPTER XV

ARGENTINA—THE MAKING OF A NATION

IN the fifty-year period extending from 1775 to 1825, there occurred three of the greatest revolutions in the world's history—the American Revolution, the French Revolution, and the revolt of the Spanish-American colonies. The revolution of the thirteen North American colonies against British control brought into existence a new system of government based on principles which have now come to dominate the nations of the Western Hemisphere; the French Revolution established similar principles in the Old World, and foreshadowed the end of dynastic absolutism; the revolt of the Spanish-American colonies separated once for all the New World from the Old, and sounded the knell of empires built upon colonial exploitation. It is difficult to say just how much effect the American and French revolutions had upon the colonies of Spanish America, but no territorial limits could contain the democratic impulse born of such travail, and Spanish America speedily gave evidence of the potential influence of the new movement.

Francisco de Miranda, of Venezuela, first felt its power, and, answering its call, served in both the American and French armies of freedom. But this service was only a prelude to his real purpose, which was nothing less than to bring about a complete separation of his own country from the control of Spain. He tried to interest various governments in his schemes, and in 1798 it seemed quite possible that the United States would join with Great Britain in an attempt to foment revolutions in the Spanish colonies in the New World. Rufus King, the American minister at London, enthusiastically supported the plan, and succeeded in obtaining the backing of Hamilton.[1] Neither the British cabinet nor Secretary Pickering, however, was willing to countenance the project, and

[1] C. R. King, *The Life and Correspondence of Rufus King* (New York, 1907), Vol. II, p. 250 *ff.*

Miranda finally gave up hopes of obtaining the support of Great Britain. He thereupon visited the United States and tried to obtain help from Jefferson and Madison; but, although both personally wished him well, they were unwilling to engage the United States in an enterprise of such a nature. He was forced to content himself with organizing a small filibustering expedition in New York, without aid, but also without interference, from the United States government. This expedition, which set sail early in 1806, was a complete failure, as were Miranda's later attempts; but he deserves credit for being the first great leader in the struggle for Spanish-American independence.[2]

The real fight for independence may be said to have begun on May 25, 1810, when Buenos Aires deposed its viceroy and set up a *junta gubernativa*. Quito, in New Granada, had made a similar attempt the previous year, but this movement had been quickly suppressed. Valparaíso, Santiago, and Bogotá followed in quick succession, and on July 5, 1811, the congress of Venezuela adopted the first declaration of independence from Spain.[3] These revolutionary movements did not pass unnoticed in the United States, and in June, 1810, Joel R. Poinsett was appointed "agent for seamen and commerce" in Buenos Aires. His instructions show a keen appreciation on the part of the government of the United States of the possibilities of the situation: "As a crisis is approaching which must produce great changes in the situation of Spanish America, and may dissolve altogether its colonial relations to Europe; and as the geographical position of the United States and other obvious considerations give them an intimate interest in whatever may affect the destiny of that part of the American continent, it is our duty to turn our attention to this important subject, and to take such steps not incompatible with the neutral character and honest policy of the United States, as the occasion

[2] For a complete account of Miranda's efforts see W. S. Robertson, *Rise of Spanish-American Republics* (New York, 1918), pp. 26-72, also "Francisco de Miranda and the Revolutionizing of Spanish America," by the same writer, in the *Annual Report of the American Historical Assoc., 1907*, Vol I, pp. 189-539.

[3] For an excellent survey of the early diplomatic relations between the United States and Venezuela see W. S. Robertson, *Essays in American History* (New York, 1910), pp. 231-267.

renders proper. . . . You will make it your object, whenever it may be proper, to diffuse the impression that the United States cherish the sincerest good will towards the people of South America as neighbors, as belonging to the same portion of the globe, and as having a mutual interest in cultivating friendly intercourse; that this disposition will exist whatever may be their internal system or European relations, with respect to which no interference of any sort is pretended; and that in the event of a political separation from the parent country and of the establishment of an independent system of national government, it will coincide with the sentiments and policy of the United States to promote the most friendly relations and the most liberal intercourse between the inhabitants of this hemisphere, as having all a common interest, and as lying under a common obligation to maintain that system of peace, justice, and good will which is the only source of happiness for nations." [4]

In the following year Poinsett was made consul-general and proceeded to Chile, a vice-consul taking over the duties at Buenos Aires and the ports on the River Plate. Similar representation was provided for at about the same time at Caracas, Venezuela. In spite of the fact that these were regularly accredited agents, there seems to have been no intention on the part of the United States to recognize the governments to which they were sent. This is not surprising when we remember that none of the revolting countries except Venezuela had declared its independence. They simply refused to recognize the Napoleonic régime in Spain. In fact, most of the colonies that had deposed their Spanish governors and had set up *juntas* claimed to be acting in the name of Ferdinand VII. Under these anomalous conditions, the question of recognition did not arise; nor did the American agents make any effort to maintain a neutral attitude. Poinsett did all in his power to aid the Chileans, giving them counsel and encouragement and supplying the names and addresses of manufacturers and merchants in the United States who would willingly furnish them with

[4] *House Report No. 72*, 20th Cong., 2nd Sess.; also cited in F. L. Paxson, *The Independence of the South American Republics* (Philadelphia, 1916), p. 110.

military supplies.[5] Yet, upon his return to the United States, he was congratulated by Secretary Monroe for the ability, zeal, and success with which he had conducted his delicate mission.[6]

Ferdinand was restored in 1814. Far from granting concessions to his colonies, he determined to bring them back into their former position of complete dependence. This meant a war of reconquest, and the king did not hesitate. Within a year his armies had reduced to a sullen allegiance all of the revolting colonies except Buenos Aires. It was in this state that a new and successful campaign was to originate. José de San Martín, a native of La Plata, who had served for many years in the Continental Army of Spain, had returned to give his services in the war for independence. He was given command of one of the northern Argentinian armies. Instead of using it to attack the Spaniards in Peru, he gave up the command for the governorship of the small province of Cuyo at the edge of the Andes. Here he spent two years in organizing and training a small army, with the intention of crossing the Andes and striking at the Spanish power in Chile and then marching north into Peru. It is not within our province to describe his desperate crossing of the Andes by the famous Uspallata Pass, and his victory over the Spanish army at Chacabuco, thereby opening up the road to Santiago. It is sufficient to note that he followed out his plan of freeing Chile, and when this was accomplished by the battle of Maipú, on April 5, 1818, he returned to Buenos Aires to organize a new force to carry the struggle into Peru. After two more years of preparation, he again crossed into Chile, and embarked his army upon the new Chilean fleet at Valparaíso. Aided by the brilliant strategy of Lord Cochrane, the commander of the Chilean fleet, and even more by his appeals to the Peruvians to arise and throw off the Spanish yoke, he finally, by Fabian tactics, forced the Spaniards to withdraw from Peru.[7]

While San Martín was slowly emancipating the great territories of the south and west from Spanish rule, another patriot

[5] J. B. Lockey, *Pan-Americanism: Its Beginnings* (New York, 1920), p. 144.
[6] F. L Paxson, *op. cit.*, p 115.
[7] The standard and most exhaustive treatment of this period is Bartolomé Mitre, *Historia de San Martín y de la Emancipacion Sud Americana*, 6 vols. (Buenos Aires, 1907)

was accomplishing the same result for the north. Simón Bolívar, a native of Venezuela, after a series of unsuccessful attemtps to liberate his native state, crossed over into New Granada and defeated the Spaniards in the decisive battle of Boyacá, April 7, 1819. This province was then induced to join with Venezuela, forming the republic of Colombia. The Spaniards sought and obtained a truce during the following year; but, with the goal of complete independence clearly in view, Bolívar saw the unwisdom of parleying, and by a final blow in the summer of 1821 the north was completely freed. The Liberator now turned his attention towards the last stronghold of the Spanish forces in the highlands of what is now Ecuador, and, after a series of engagements, entered Guayaquil, triumphantly on July 11, 1822. San Martín, now Protector of Peru, entered the city shortly afterwards, and the two great patriots celebrated the emancipation of South America together. Two such powerful characters, however,—one striving for a union of South America under the hegemony of Colombia, and the other insisting upon the individuality of the states,—could not agree; and, rather than force a struggle, San Martín decided to exile himself from the country he had so valiantly helped to free To the end he remained true to his famous motto: *"Serás lo que debes ser, y si no, no serás nada* ("Be what you ought to be or else be nothing").

Although the struggle for independence did not definitely end till 1824, the question of recognition by foreign powers had been raised long before. Early in 1816 Buenos Aires had sent a Colonel Martin Thompson to Washington to represent its interests; but, inasmuch as no proclamation of independence had yet been issued, this envoy was not invested by his government with a public character.[8] The following year, however, the provinces of La Plata declared their independence and forthwith despatched Don Manuel H. de Aguirre "as agent of this government near that of the United States of North America"; [9] and shortly afterwards Supreme Director Pueyrredón, in a letter to the President of the United States, asked that he be granted "all the protection and consideration

[8] *American State Papers, For. Rel.*, Vol. IV, p. 174.
[9] *Ibid.*, p. 175.

required by his diplomatic rank and the actual state of our relations." [10] President Monroe received him confidentially, but informed him that, although he sympathized with his cause, the recognition of independence could come only after a public deliberation of Congress.[11]

In his first official note to President Monroe, dated October 29, 1817, Aguirre gave notice of the declaration of independence of the United Provinces, and in his second communication, dated December 16, he asked for recognition.[12] President Monroe had already, on April 25, 1817, written a note to Joel R. Poinsett asking him to go once more to Buenos Aires to report on the progress of the revolution; and when Poinsett declined, he had appointed a commission of three. But, as these commissioners were not ready to sail until December, the President did not feel justified in extending recognition without obtaining "in a manner more comprehensive than has heretofore been done correct information of the actual state of affairs in those colonies." [13] His attitude was shown by his message of December 2, 1817, in which, while expressing sympathy and good will for the revolutionists, he reiterated his policy of neutrality.[14]

President Monroe was undoubtedly influenced considerably by his Secretary of State, John Quincy Adams, who from the very beginning opposed recognition until independence had been clearly established.[15] But Henry Clay had already "mounted his South American great horse," and in the House did all in his power to force the hand of the President. On March 25, 1818, he made a brilliant speech urging recognition and the immediate appointment of a minister to Buenos Aires.[16] But apparently Congress preferred

[10] *Ibid.*, p. 176.

[11] B Mitre, *Historia de Belgrano* (Buenos Aires, 1902), Vol. III, p. 98. For a full account of the Aguirre mission, see A Palomeque, *Orígines de la Diplomacia Argentina* (Buenos Aires, 1905), Vol. I, pp. 39-66.

[12] *Amer. State Papers, For. Rel.*, Vol. IV, pp 179-180.

[13] F. L Paxson, *op. cit.*, p. 126

[14] J D. Richardson, *Messages and Papers of the Presidents*, Vol. II, p. 13.

[15] See note of Secretary Adams to de Aguirre (August 27, 1818) in W. R. Manning, *Diplomatic Correspondence of the United States Concerning the Independence of the Latin American Nations* (New York, 1925), Vol. I, p 76.

[16] T. H Benton, *Abridgment of the Debates of Congress*, Vol. VI, pp. 138-145

to back the President, particularly since the Florida question had already brought strained relations between the United States and Spain, and the motion was defeated by a substantial majority. Before sending his annual message of November 17, 1818, President Monroe had received the reports of his commissioners. But, inasmuch as their reports showed that the situation was still very uncertain, he declared himself satisfied with the course hitherto pursued and considered it good policy to adhere to it.[17] In his message of the following year, in spite of Adams' advice to the contrary, President Monroe gave decided encouragement to the struggling patriots. "The steadiness, consistency, and success with which they have pursued their objects, as evidenced more particularly by the undisturbed sovereignty which Buenos Aires has so long enjoyed, evidently gave them a strong claim to the favorable consideration of other nations." [18] However, in spite of the President's evident friendliness, and the continued efforts of Clay, it was not until 1822 that recognition was finally accorded, and by that time the result of the contest was "manifestly settled." Incidentally the Florida treaty of 1819 had now been ratified by Spain, thereby freeing the administration of further trouble from that source.

Manuel Torres, the *chargé d'affaires* from Colombia, had the honor of being the first diplomatic agent from a Spanish-American state to be received by the United States, and he was deeply affected by it. He said that Colombia realized the importance of this recognition and that Bolívar would be extraordinarily gratified by it.[19] Mr. de Forest, the agent of Buenos Aires, laid claim to priority of recognition, but his commission was found to be inadmissible and he was required to obtain a new one. In a note to him on May 23, 1822, Secretary Adams said that in the recognition of the independence of the South American governments it was not the President's intention, by discriminating between them with regard to time, to admit any claim to prior recognition in favor

[17] *Amer. State Papers, For. Rel.*, Vol. IV, p. 215; for reports of the commissioners, *ibid.*, pp. 217-348.

[18] *Ibid*, p. 628.

[19] J. Q. Adams, *Memoirs* (Philadelphia, 1874), Vol. VI, p. 23.

of any one over the other.[20] The recognition of Buenos Aires came the following year, when Cæsar Rodney, former commissioner to the South American states, was accredited as minister to that country. As was to be expected, Spain protested vehemently against recognition, asserting that it could in no way invalidate Spain's right to her provinces or to employ any means in her power to reunite them to her dominions. In his reply Adams declared that it was the mere acknowledgment of existing facts, and that the United States expected the European countries and Spain herself soon to follow her example.[21]

Recognition did not come any too soon, inasmuch as the European powers at Verona were already planning to assist Spain to recover her colonies. Fortunately for the United States, such a plan did not fit in well with British ideas, and we have already shown how Canning approached Rush with a view to concerted action to prevent it. President Monroe's message of December 2, 1823, settled the question as far as the United States was concerned, and all South America seemed to approve of the settlement. At Buenos Aires, Las Heras, the new governor, in a message to the congress of la Pata provinces dated December 16, 1824, declared: "We are under a large obligation towards the United States of North America. That republic, which since its formation has presided over the civilization of the New World, has solemnly recognized our independence. At the same time it has made an appeal to our national honor by supposing us capable of struggling single-handed with the power of Spain, but it has constituted itself guardian of the field of battle in order that no foreign power may interfere to give aid to our rival." [22]

The government of Buenos Aires soon had occasion to seek a definite interpretation of the Monroe Doctrine. In 1826 the United Provinces of la Plata, with Rivadavia at their head, became involved in a war with Brazil, on account of an attempt of the Banda Oriental, now known as Uruguay, to unite itself with Buenos Aires.

[20] J B Moore, *Digest of Int Law*, Vol I, p. 90, note *a*.

[21] *Amer. State Papers, For. Rel*, Vol. IV, p 845

[22] Quoted by W S Robertson, "South America and the Monroe Doctrine," *Pol. Science Quar*, Vol. XXX (March, 1915), p 100, cf. J. B. Lockey, *op. cit.*, pp. 255-260.

In this connection Rivadavia's Minister of Foreign Affairs asked the American minister, first, whether President Monroe's declaration would apply in case a European power should assist the Emperor of Brazil in his war against the United Provinces; and, second, whether "such declaration is equally applicable in a case in which the Emperor of Brazil, as King of Portugal, may attempt to draw from that kingdom . . . any kind of aid for sustaining said war." [23] After considerable delay, Secretary Clay returned his answer to these queries. Pointing out that the declaration conveyed neither pledge nor obligation, he declared that in the war between the Argentine Republic and the Emperor of Brazil there was not the remotest analogy to the case that President Monroe's message deprecated. The war was strictly American in its origin and object; the European allies had taken no part; and under these conditions the policy of the United States was one of strict and impartial neutrality.[24]

In consequence of the bloody struggle between the unionists and the federalists, the next few years were very difficult for the Buenos Aires republic. By 1829 the federalist leader, Juan Manuel Rosas, was in full control of Buenos Aires and the nominal head of Argentina. He was a dominating personality, and he succeeded in remaining dictator of the province of Buenos Aires for the next twenty years.

During the early part of his régime an interesting diplomatic conflict took place between his government and the United States.[25] In 1829 the government of Buenos Aires issued a decree claiming as the successor of Spain the Malvinas, or Falkland Islands, and announcing that a governor would be appointed to reside there and regulate the seal fisheries on the coast.[26] In November, 1831, the appointee, Luis Vernet, seized certain American schooners engaged in fishing off the coasts of these islands, imprisoned their officers and crews, and sent the ships to Buenos Aires as prizes. The

[23] W. S. Robertson, "South America and the Monroe Doctrine," p. 102.

[24] *Ibid.*, p. 103.

[25] The whole incident is well summarized from the Argentinian standpoint by Adolfo Saldías, *Historia de la Confederación Argentina* (Buenos Aires, 1892), Vol. II, Chap. XIX.

[26] *British and Foreign State Papers*, Vol. XX, p. 314, note.

United States consul at Buenos Aires protested, and at the same time the U.S.S. *Lexington* proceeded to the Falkland Islands to protect American citizens engaged in the fisheries. Upon investigation, Captain Duncan of the *Lexington* found that Governor Vernet had plundered the American schooner *Harriet* of almost everything on board. Captain Duncan thereupon asked that Vernet be delivered up to the United States on charges of piracy or robbery, or that he be arrested and punished by Buenos Aires.[27] Apparently the American officer did more than protest, for on February 14, 1832, the government of Buenos Aires published a proclamation stating, among other things, that "the Commander of the U.S.S. *Lexington* has invaded in a time of the most profound peace, that, our infant Colony; destroyed with rancorous fury the public property, and carried off the effects legally deposited there at the disposal of our Magistrates." [28] On the same day the government of Buenos Aires notified the American consul that, in view of his aberration of ideas and irregularity of language, it had decided to suspend official intercourse with him.[29]

The situation began to be serious, and in its instructions to the new *chargé d'affaires,* Mr. Baylies, who had been hastily despatched to Buenos Aires in January, 1832, to fill the position made vacant by the death of the former American *chargé,* the United States outlined the policy that it intended to follow. The Washington government first demanded for United States citizens freedom of fishing in these regions—a right which they had held for more than fifty years at the time of Vernet's appointment. This right was now to be embodied in a treaty. With respect to the vessels seized by Vernet, their restitution was to be demanded unless they had already been recaptured. If the government disavowed his acts, the American squadron was to break up the settlement and bring him to Buenos Aires for trial.[30] Upon arriving at his post,

[27] *Ibid.,* Vol. XX, p. 319.

[28] *Ibid*, p 327.

[29] W. R. Manning, *Diplomatic Correspondence of the United States, Inter-American Affairs 1831-1860* (Washington, D. C., 1932), Vol. I, p 72. Vernet later demanded the arrest of Consul Slocum for his statements in the official correspondence which were published by the Government of Buenos Aires, *ibid.,* p. 138.

[30] J. B. Moore, *op. cit.,* Vol. I, pp. 876-883

Mr. Baylies, in a series of notes to the Argentinian Minister of Foreign Affairs, protested vigorously against the harsh and illegal treatment visited upon American whalers and sealers in this region of the Atlantic and demanded full indemnity for it. He furthermore denied the right of Buenos Aires to interfere with vessels or citizens of the United States fishing in the waters or on the shores of the Falkland Islands, Tierra del Fuego, Cape Horn, or any of the adjacent islands in the Atlantic.[31]

The Argentine government not only refused indemnity for Vernet's acts, but warmly defended him, declaring all irregularity, injustice, insult, and violence to have been the work of the American consul and Captain Duncan. It therefore demanded from the government of the United States "the most prompt and ample satisfaction for such outrages and full redress and reparation to the Argentine Republic . . . for all damages and losses in consequence of the aggressions committed by Captain Duncan." [32] Unwilling to continue a discussion in which it was evident that the Argentine government had no intention of conceding that it was in the wrong, but insisted on considering itself the injured party, the American *chargé* asked for his passports. Under the circumstances this action seemed inexcusably abrupt, and the Argentine minister protested against it and suggested arbitration by a third power.[33] Mr. Baylies, however, remained firm, and diplomatic relations were broken off.[34] In the following year Great Britain cut the Gordian knot by sending a warship, which seized the Falkland Islands, on the ground that Spain had conceded Great Britain's right to them fifty years before Buenos Aires had achieved her independence.[35] In spite of this effective answer to Argentinian pretensions, the Argentine Republic continued to press its claim against the United States for the acts of Captain Duncan.[36] In a note dated December 4, 1841, Secretary Webster refused to consider the claim until the

[31] *British and Foreign State Papers*, Vol XX, pp. 330-355

[32] *Ibid.*, p. 364 For Vernet's report, see *ibid.*, pp. 369-436.

[33] *Ibid.*, pp. 437-440.

[34] The United States did not accredit another diplomatic agent to Buenos Aires until ten years later (1843).

[35] J. B. Moore, *op. cit.*, Vol. I, p. 888.

[36] W. R. Manning, *op. cit.*, pp. 210-226.

controversy between Great Britain and the Argentine Republic should be settled.[37] When the Argentine Republic invoked the Monroe Doctrine as against the British action, the United States refused to see its application to the case. The controversy was closed by the brusk statement of President Cleveland, in his annual message of December 8, 1885, that, "in view of the ample justification for the act of the *Lexington* and the derelict condition of the islands before and after their alleged occupation by Argentine colonists, this government considers the claim as wholly groundless." [38] Granted that the final justification of Vernet's acts depended upon his official position, nevertheless, he was exercising *de facto* sovereignty when the incident occurred. Under these circumstances the drastic action of Captain Duncan would appear to be indefensible.[39]

The historian Saldías, in his excellent work on Rosas and his times, opens his third volume with the statement that "the year 1838 began under fatal auspices for the government of Rosas." At the very time when the dictator was forced to carry on war against Bolivia in the north, and resist a new uprising of the Unitarian party at home, the French government broke off diplomatic relations and followed with a blockade of Buenos Aires and the adjoining littoral.[40] The blockade created a commercial and economic crisis which Rosas met with the greatest difficulty, but he refused to admit the French pretensions. Realizing the difficult predicament of the Argentine government, Captain Nicolson, in command of the U.S.S. *Fairfield,* offered his good offices to Governor Rosas on April 4, 1839, and outlined a basis of settlement which he thought the French would accept. Rosas received the proposal in the gracious spirit in which it was offered, but insisted upon such a radical modification that the French refused to parley

[37] *Ibid.*, p. 18.

[38] J D. Richardson, *op. cit*, Vol. VIII, p. 324; see also note of Mr. Bayard to Mr. Quesnada, March 18, 1886, J. B. Moore, *op cit.*, Vol. I, p 889.

[39] According to Julius Goebel, Jr., *The Struggle for the Falkland Islands* (New Haven, Conn., 1927), President Cleveland was badly advised.

[40] Saldías, *op. cit.*, Vol III, p 17; see also *House Doc No 211*, 25th Cong., 3d Sess., p. 33.

further and the negotiations were broken off.[41] The United States, however, had given an indication of its amicable disposition, and the sorely pressed dictator showed his appreciation.

In the war which the Argentine republic carried on against Montevideo, the United States again had occasion to show its friendly attitude towards the government of Buenos Aires.[42] Rosas had declared a blockade of Montevideo in 1842 in order to assist General Oribe in his attempt to regain the presidency of the Oriental Republic of Uruguay, whence he had been driven by a revolution. In March, 1844, Captain Voorhees was despatched in the frigate *Congress* to Montevideo to protect the interests of the United States, but also with instructions to maintain a strict and unqualified neutrality. Instead of carrying out these instructions, the American officer, on the ground that one of General Oribe's schooners had fired upon a Montevidean fishing-boat which had sought refuge beside an American bark, declared that the act constituted piracy, in which the commander of the Argentine squadron had, by approving and adopting it, made himself an accomplice. He thereupon not only seized the offending schooner, but compelled the Argentinian squadron to surrender, and released all the Montevidean prisoners on board. He also refused to consider the port blockaded for American ships. His acts were warmly applauded by the commanding officers of the English, French, and Brazilian squadrons, but the Secretary of the Navy interpreted the law of neutrality in a different sense. Captain Voorhees was charged with disobedience on five counts, court-martialed, and sentenced to be reprimanded and suspended from the service for three years. A copy of the reprimand and sentence was communicated to the Argentine minister, with an expression of the hope that his government would see in it a satisfactory proof of the disposition of the United States to respect the rights of Buenos Aires.[43]

In the following year the United States gave another signal in-

[41] *British and Foreign State Papers,* Vol. XXXI, pp. 790-801.

[42] For a critical evaluation of American methods and policy during this period see John F. Cady, *Foreign Intervention in the Rio de la Plata 1838-50* (Philadelphia, 1929), Chap. VI.

[43] J. B. Moore, *op. cit.,* Vol. I, pp. 178-182.

stance of its appreciation of the belligerent rights of weaker states. The Argentinian squadron had been maintaining a modified blockade of Montevideo for over a year, but when an attempt was made to change it into a strict blockade, the French admiral refused to observe it. The American commander was thereupon forced to decide whether he would insist upon the same privileges for American shipping as the French illegally obtained, or whether he should recognize the strict blockade proclaimed and enforced by the Argentinian fleet. After carefully considering the situation, the American *chargé d'affaires,* Mr. William Brent, Jr., decided that the French admiral by his act had in reality become a belligerent, and that the United States could not put itself in the same attitude and still maintain a strictly neutral course.[44] In spite of this recommendation, Commander Pendergast decided to claim for the commerce of the United States the same immunities and advantages enjoyed by the commerce of any other country, and notified the Argentinian admiral that he would maintain this position. When the correspondence was placed before the Secretary of the Navy, he declared that Commander Pendergast was wrong, that the failure on the part of the Argentine republic to maintain her belligerent rights against the opposition of the French naval force did not justify him in refusing to conform to the strict blockade, and that the President would have been pleased if he had conformed to the advice of the United States' representative at Buenos Aires, at least until the sense of his government could be known.[45]

At the same time the French and British ministers were threatening the Argentinian government with a joint blockade by their squadrons unless it stopped trying to control Uruguay through its support of the Oribe faction. The American *chargé,* Mr. Brent, offered his good offices, but, although they were at first accepted by both parties, and preliminary bases of a compromise were laid down, the mediation fell through, owing to the exigencies of the French plenipotentiary.[46] The two powers made good their promise, and on September 18, 1845, they issued a joint declaration of

[44] *House Doc. No. 212,* 29th Cong., 1st Sess., p. 10.
[45] *Ibid.,* p. 39.
[46] Saldías, *op. cit.,* Vol. IV, p. 178.

blockade of the ports and coasts of Buenos Aires [47] Mr. Brent's note to the British minister shows the American attitude. "I do not acknowledge such decision of these plenipotentiaries as having any validity whatever, as far as the United States and their citizens are concerned. . . . Nor, sir, do I acknowledge the right of the commanders of the combined squadrons of England and France to enforce any such blockade in consequence of such decision, found necessary by the English and French plenipotentiaries. . . . I therefore, sir, for the United States of America, hereby protest against this so-called and misnamed blockade."[48]

The revolutions of 1848 in Europe caused both France and Great Britain to pause in their dictatorial policy towards Rosas, and by 1850 both nations had signed treaties with him. Despite his autocratic acts and often brutal methods, the United States was obliged to recognize that throughout his long tenure of power, he was a constant and powerful check upon European infringement of American sovereignty. As such, he was supported upon every occasion when the United States could consistently do so. His downfall, which came in 1851, was produced, not by the machinations of foreign powers, but by a triple alliance between his chief lieutenant, General Urquiza, governor of the rich province of Entre Rios, the Empire of Brazil, and the faction of Uruguay which had always opposed him. The historian Calderón thus summarizes the work of the great Argentinian tyrant: "His authoritative character of a Spanish patrician made him the *paterfamilias* of the Argentine democracy. . . . In the twenty-four years, 1829 to 1852, Rosas made federal unity a reality. . . . He defended the country against the territorial aggression of foreign coalitions, and his own power against conspiracy and revolts; he dominated the capital city and moderated provincialism; he painfully founded the Confederation. . . . His cruelty was effectual, his barbarism patriotic." [49]

With the end of the Rosas régime comes a new epoch in the history of the Argentine republic. General Urquiza, who was now in control, determined to establish a real federal republic with the

[47] *British and Foreign State Papers*, Vol. XXXIV, p. 1266
[48] House Doc. No. 212, p. 35.
[49] F. García Calderón, *Latin America* (New York, 1913), Chap. V.

least possible delay. To that end, a constitutional convention was called, which met on November 20, 1852, in Santa Fé. Every province was represented except Buenos Aires, whose attitude from the beginning was strongly antagonistic to the idea. In drawing up a constitution for a federal republic, it was but natural that the constitution of the United States should have a considerable influence, and in fact in submitting the constitution to the convention the chairman of the committee on constitutional affairs declared that "the draft of the committee has been cast in the mold of the constitution of the United States, the only model now existing for a real federation." [50] The constitution was signed May 1, 1853, and on May 25 was proclaimed the supreme law of the land.

An attempt was immediately made to obtain the acceptance of the constitution by Buenos Aires, thus bringing her into the new federation; but it was not successful. The central government could not hope to become stable and strong as long as one-third of the population and one-fourth of the country's wealth remained outside, particularly since Buenos Aires controlled the sole important port of entry, the principal source of revenue. Various attempts to bring about a satisfactory arrangement were made [51]—the most important, perhaps, being the effort of Colonel Yancy, the American minister resident, in 1859. At this time Buenos Aires agreed to enter the confederation, provided that the city of Buenos Aires should not be the federal capital, and that General Urquiza should retire and occupy no public office in the new government. Colonel Yancy, representing General Urquiza, indignantly refused these conditions, and the negotiations came to an end.[52] When this last attempt failed, actual warfare broke out, resulting in a complete victory for the federal forces. Threatened by invasion and the capture of its capital, Buenos Aires became

[50] L. S. Rowe, *The Federal System of the Argentine Republic* (Washington, D. C., 1921), p. 43.

[51] The United States authorized its diplomatic representative, Mr. Peden, to use all his influence to bring about a reunion and as a means of pressure transferred his commission to the Argentine Confederation. When Mr. Peden continued to maintain his diplomatic connection with both governments he was severely reprimanded and sent to Panama, W. R. Manning, *op. cit.*, pp. 48-53.

[52] Mariano Pelliza, *Historia de la Organizacion Nacional* (Buenos Aires, 1899), p. 244

more reasonable and agreed to enter the confederation, provided that certain amendments were made to the national constitution.

A constitutional convention of the province of Buenos Aires was opened on January 5, 1860, and it proposed a number of amendments to the federal constitution. Again the influence of the constitution of the United States was apparent. The chairman of the committee on constitutional amendments said in the report submitted to the convention: "The committee has been guided in its recommendations by the provisions of a similar constitution, recognized as the most perfect, *viz.*, that of the United States. The provisions of this constitution are most readily applicable to Argentine conditions, having served as the basis for the formation of the Argentine Confederation. . . . It would therefore be both presumptuous and a proof of ignorance were we to attempt any innovations in constitutional organization, thus ignoring the lessons of experience and the manifest truths accepted by the human conscience." [53] The amendments proposed were accepted and were then laid before another national convention called for the purpose. The amendments were again ratified, September 25, 1860, thus definitely establishing the Argentine republic as a federal state with Buenos Aires included.

Once a part of the federal republic, Buenos Aires determined to dominate it. The provincial government interpreted several clauses of the constitution differently from the national government, and when the congress put the province under martial law, war again broke out. This time General Bartolomé Mitre decisively defeated the federal forces, thereupon taking over the supreme power until the national government could be reorganized. Elections of senators and deputies took place in April, 1862, and the presidential election in October made General Mitre president for a period of six years. The new president showed himself a truly great leader. Generous and conciliatory in his methods, he succeeded in placing the federation on a basis of friendly coöperation between the national and provincial governments.

In 1865 the Argentine republic was drawn into the war against Paraguay which Brazil and Uruguay were then waging. When the

[53] L. S. Rowe, *op. cit.*, p. 5.

question was raised regarding the good offices of the United States to settle the dispute, Seward wrote our minister to the effect that, "although we have never been eager to interfere in controversies abroad which lead to wars, or in accepting the part of mediator for the purpose of arresting hostilities, we have a natural desire, as an American power, that peace should prevail in this hemisphere. . . . If, therefore, all or either of them shall ask for our good offices, they will be bestowed with a full appreciation of the delicacy and responsibility of the trust, and with a single desire to render impartial justice and to terminate the ravages of war." [54] The differences, however, were too serious to be settled by mediation, and the war ended only with the utter destruction of Paraguay.[55]

Article V of the treaty of limits between the Argentine republic and Paraguay, signed February 3, 1876, provided that the President of the United States should be asked to arbitrate the right of sovereignty over the territory between the River Verde and the main branch of the Pilcomayo.[56] The documents were accordingly submitted to President Hayes in March, 1878. The award was rendered in November of the same year, and it stated that Paraguay was legally and justly entitled to the disputed territory.[57] Both sides thanked the President for the service which he had rendered, and as a token of recognition the Paraguayan congress voted to change the name of the principal town in the region to Villa Hayes.

With the conclusion of the Paraguayan war in 1870, the Argentine republic entered upon a period of remarkable growth and commercial progress. The American *chargé* at Buenos Aires, writing February 12, 1873, notes the fact that real estate in Buenos Aires and vicinity had tripled in value within the past three years, and that there had been a tremendous increase in foreign trade. A treaty of friendship, commerce, and navigation had been signed between the United States and the Argentine Confederation in 1853; but increase of North American trade with the Argentine

[54] *Foreign Relations of the United States,* 1866, Part II, p. 286.

[55] *Infra,* p. 466-468

[56] J. B. Moore, *History and Digest of International Arbitrations* (Washington, D. C., 1898), Vol. V, p 4783

[57] *Ibid.,* Vol. II, p. 1943.

was hindered by the lack of direct steam communication.[58] Early in 1887 the Argentine government offered to subsidize an American line to the extent of $100,000 annually.[59] But when certain objections and delays ensued a British firm seized the opportunity and received the concession.[60]

The United States showed lack of foresight in another matter. The most important of the early exports from Argentina were hides and wool. There was no reason why the United States should not become a large customer for Argentine wool, except for a ridiculous tariff which discriminated against this wool because in its unwashed state it was heavier with grease than the Australian or New Zealand product. The discrimination was unintentional, and due to our failure to make tariff laws in accordance with the recommendations of a commission of experts rather than at the dictation of self-seeking politicians. The American minister at Buenos Aires made every effort to bring the matter to the attention of the American government, but with little apparent result. Not only was the advantage of this trade lost, but the Argentinians turned more and more to the production of cereals, thus becoming a formidable rival of the United States instead of a profitable customer. In fact, the export of wheat jumped from 109,611 kilos in 1878 to 237,865,925 kilos in 1887, while maize increased from 19,064,044 kilos to 361,456,705 during the same period.[61] While the value of trade between the United States and Argentina had increased during these same years from $5,500,000 to about $17,000,000, or about 205 per cent, Great Britain had increased hers from $15,500,000 to $51,750,000, or about 234 per cent, and Germany had increased hers from $3,000,000 to about $22,000,000, or 580 per cent.[62]

Following the excellent start made by Bartolomé Mitre, the Argentine republic was fortunate in her choice of presidents. Both Sarmiento (1868-74) and Avellaneda (1874-80) aided remarkably in promoting the growth of the republic, and both were able to avoid any serious internal political troubles. The elections of 1880,

[58] *For. Rel of the U S.*, 1873, Part I, p. 35.
[59] *Ibid.*, 1887, p. 6.
[60] *Ibid.*, 1888, Part I, p. 2.
[61] *Ibid*, p. 10.
[62] *Ibid.*, 1889, p. 4.

however, brought on a bloody contest between Dr. Tejedor, the candidate of Buenos Aires, and General Roca, the candidate of the federal government and the provinces. The situation became so bad that Mr. Osborn, the minister of the United States, offered his good offices to prevent a further sacrifice of life and property.[63] However, the national forces soon gained control, and General Roca was duly inaugurated as president. To prevent further uprisings of a similar character, the city of Buenos Aires was detached from the province and federalized; in return for its surrender of provincial autonomy, it became the capital of the federal state.

A treaty signed between the Argentine republic and Brazil, September 7, 1889, again called in the United States to settle a boundary dispute. The territory in question was the so-called Misiones, lying between the Uruguay and Yguazu Rivers. Various unsuccessful attempts had been made to settle the question by negotiation—the last one in 1890, when there was an attempt at division. This effort having failed, the case was turned over to President Harrison in 1892, according to the terms of the treaty. Owing, however, to the delay necessary to prepare the cases, President Cleveland was called upon to make the award, which was delivered to the contending parties on February 6, 1895. The decision gave Brazil the whole territory under dispute, without assigning the reason for the judgment; but the fact that by the census of 1890 all but 30 of the 5,793 inhabitants of the contested region were Brazilians (and of the 30 not one was an Argentinian) probably had something to do with the verdict. Both sides accepted the award, and the Baron de Rio Branco, head of the Brazilian special mission, declared: "I am sure that the award of the illustrious American, who, animated by an equal regard for both nations, has so carefully and conscientiously exercised his functions as arbiter, has been received with satisfaction in the Argentine republic, and that this happy and honorable event will tend, as all Brazilians desire, to tighten the bonds of friendship which unite us to our former allies of Caseros and Paraguay." [64]

A more serious dispute over boundary claims came up in 1898

[63] *Ibid.*, 1880, p. 27.

[64] J. B. Moore, *Hist. and Digest of Int. Arbitrations*, Vol. II, pp. 1969-2026.

between the Argentine republic and Chile. Ever since the two governments were established, the exact boundary line had been disputed; but in 1884 a protocol had established the frontier where the highest peaks of the Andes divide the watershed. The Argentinians interpreted this to mean a line drawn from highest peak to highest peak, while the Chileans claimed that the highest peaks meant the highest points in the watershed. In 1895 the situation became very strained, and both sides began preparations for war. An arrangement was finally made to continue the surveys, but in 1898 a violent dispute arose regarding the northern boundary in the district known as the Puno de Atacama. Once more the situation became critical, and in August the Chilean government sent an ultimatum demanding arbitration. Fortunately for Argentina, General Roca, whose services as president in his term from 1880 to 1886, and as secretary of interior from 1890 to 1892, were so eminently valuable to his country, had just been reëlected. He accepted arbitration for not only the northern section, but also the longer and more important boundary in the south. For the Atacama region a commission of three was chosen, consisting of one Argentinian, one Chilean, and Mr. Buchanan, the American minister. Mr. Buchanan thereupon sketched the line that he considered fair according to the evidence, and divided it into sections. Possessing the deciding vote, he suggested that the commission vote on each section separately. The result was that where he favored the Argentine claims he voted with the Argentine commissioner, and where he thought Chile had the advantage, he sided with the Chilean representative. By this means the whole question was settled in three days, and, although the justice of the course was questioned, both sides accepted the award. The more difficult boundary on the south was not settled until 1902, and then only after a war scare brought both nations to the realization of the dangerous possibilities of further delays.[65]

In his message to Congress dated May 2, 1899, President Roca paid a high tribute to the efforts of the United States to bring about a peaceful solution of the boundary question. After point-

[65] A large bronze statue, the Christ of the Andes, was erected on the boundary line high in the Andes to celebrate the peaceful settlement.

ing out that the delineation of the Puño de Atacama had a far greater importance than the value of the territory in dispute, since it closed the long period of uneasiness and inquietude which had been the cause of so many sacrifices on the part of Argentina and Chile, he went on to say: "The participation taken in the solution of the difficulties of which I speak by Mr. Buchanan, the American minister, has also been a motive for particular gratification. To that solution he chiefly contributed, and thus rendered both republics an eminent service. This is not the first occasion upon which it has fallen to the lot of a minister of the great confederation of the north to decisively intervene in our boundary disputes in the interest of international peace. Nor will this ever be forgotten by the two peoples whose destinies have been at stake on one or the other side of the mountain." [66]

Having finally settled its boundary disputes with Chile in 1902, the Argentine republic was able to turn its attention to the European intervention in the affairs of Venezuela. In December of that year Great Britain, Germany, and Italy established a blockade of Venezuelan ports with a view to forcing the payment of debts. The United States minister to Venezuela immediately proposed arbitration, and although the Kaiser held back, President Roosevelt was able to exert sufficient pressure to force him to terms.[67] Argentina, although not aware of the efforts of the United States at the time, came to her aid in a strong letter of protest against the European intervention. In a long letter to the State Department, Señor Luis M. Drago, Argentine Minister of Foreign Relations, thus summed up the views of his government in regard to armed intervention for the purpose of collecting the private claims of its nationals against another state: "The only principle which the Argentine republic maintains, and which it would with great satisfaction see adopted, in view of the events in Venezuela, by a nation that enjoys such great authority and prestige as the United States, is the principle already accepted, that there can be no ter-

[66] *For. Rel. of the U. S.*, 1899, p. 7.

[67] For this very interesting episode in Roosevelt's dealings with the Kaiser, see W. R. Thayer, *Life and Letters of John Hay* (Boston, 1915), Vol. II, pp. 286-288. For a contrary viewpoint *cf.* Dexter Perkins, *The Monroe Doctrine, 1867-1907* (Baltimore, 1937), p. 333.

ritorial expansion in America on the part of Europe, nor any oppression of the peoples of this continent because an unfortunate financial situation may compel some one of them to postpone the fulfilment of its promises. In a word, the principle which she would like to see recognized is that the public debt cannot occasion armed intervention, nor even the actual occupation of the territory of American nations by a European power." [68] Although Secretary Hay was not willing to subscribe *in toto* to this sentiment, the American delegate to the second Hague conference introduced a somewhat similar proposal, and the result was a resolution whereby the contracting powers agreed not to have recourse to armed force to recover debts due their nationals unless the debtor nation refused arbitration, or, having accepted arbitration, failed to submit to the award.[69]

On his trip to South America in 1906 in connection with the Pan American Congress at Rio de Janeiro, Secretary Root was enthusiastically received at Buenos Aires, and he took advantage of the opportunity to express clearly and forcefully the United States' acceptance of the Drago doctrine. In reply to a speech in which the eminent Argentinian authority on international law declared his doctrine to be a principle of American diplomacy based upon the sentiment of common defense, just as is the traditional policy of the United States, Mr. Root answered as follows: "I am glad to be able to declare myself in hearty and unreserved sympathy with you. . . . We deem the use of force for the collection of ordinary contract debts to be an invitation to abuses in their necessary results far worse, far more baneful to humanity, than that the debts contracted by any nation should go unpaid. We consider that the use of the army and navy of a great power to compel a weaker power to answer to a contract with a private individual is both an invitation to speculation upon the necessities of weak and struggling countries and an infringement upon the sovereignty of those countries, and we are now, as we always have been, opposed to it." [70]

[68] *For. Rel of the U. S.*, 1903, p. 4.

[69] W M. Malloy, *Treaties, Conventions, etc.* (Washington, D. C., 1910), Vol. II, p. 2254

[70] *For. Rel. of the U. S.*, 1906, Part I, p. 29.

The Monroe and Drago doctrines were seen to be in complete accord, and a better foundation for mutual understanding and appreciation between the Argentine republic and the United States was the beneficial result.

The friendly relations between the two countries were cemented the more firmly by the active participation of the United States in the Fourth Pan American Congress, held at Buenos Aires in 1910—a conference which, in the words of President Taft, had a "special meaning to the hearts of all Americans because around its date are clustered the anniversaries of the independence of so many of the American republics." [71] Three years later, in celebration of the centenary of Argentine independence, the American citizens resident in Buenos Aires presented to the Argentine republic a fine statue of Washington. The same cordial relations continued to exist betwen the two countries until 1917, when the United States entered the first World War.

Until Germany declared her intention of waging unrestricted submarine warfare, the Argentine republic had no more reason for joining the Allies than did the United States. In fact, during the first three years of the war Argentina profited greatly from her neutrality through the increased value of her exports of grain and frozen meats. But when the United States refused to concede Germany's right to sink neutral vessels on the high seas and severed diplomatic relations with her, President Wilson expressed the belief that the remaining neutral states would undoubtedly follow our example. The Argentine republic, however, contented itself with a statement of regret that his Imperial Majesty had thought necessary to adopt such extreme measures, and by insisting that its conduct would be adjusted, as formerly, to the fundamental rules and principles of international law.[72] When, on April 6, 1917, the United States declared war upon Germany, Argentine public opinion rallied to its support, and *La Nación* published a series of articles demanding that Argentina enter the war. The government, however, determined to remain neutral, and in a note to the United States it merely recognized the justice

[71] *Ibid.*, 1910, p 14.

[72] John Barrett, *Latin America and the War* (Washington, D. C, 1919), p. 4.

of the causes that moved the United States to declare war.[73] In a statement published in *La Razón* on April 10, Señor Luis Drago, the former Minister of Foreign Affairs, protested against Argentina's neutral attitude, on the ground that the war between Germany and America was a struggle of democracy versus absolutism in which no American nation could remain neutral without denying its past and compromising its future.[74] But the government not only remained firm, but even passed an embargo on the export of grain, which was a decided blow to the Allies. About the middle of May the Washington government intimated that such a policy was not Pan American, and that if continued, it would force the United States to suspend all shipments of coal to Argentine ports.[75]

The United States precipitated a crisis in the relations between the Argentine republic and Germany by the publication, on September 8, 1917, of a series of despatches sent by Count von Luxburg, the German minister at Buenos Aires, to his government through the medium of the Swedish minister. These messages urged that certain small Argentine steamers either be spared or be sunk without a trace (*spurlos versenkt*). Incidentally, in one of the despatches the Argentinian Minister of Foreign Affairs was referred to as a notorious ass.[76] This brazen violation of the first principles of neutrality and hospitality provoked an immediate demand for a declaration of war against Germany. Count von Luxburg was given his passports, and both the Senate and Chamber passed resolutions authorizing the president to sever diplomatic relations with Germany. President Irigoyen, however, refused to depart from his policy of strict neutrality, declaring that Berlin's prompt disavowal of Luxburg's actions and the expression of regret accompanying it were entirely satisfactory. Various suggestions have been made to account for President Irigoyen's persistent refusal to break with Germany in the face of the almost

[73] John Barrett, *op. cit.*, p. 5.
[74] G. Gaillard, *Amérique Latine et Europe Occidentale* (Paris, 1918), p. 130.
[75] *Ibid.*, p. 135.
[76] For text of these messages see P. A Martin, *Latin America and the War*, League of Nations, Vol. II, No. 4, p. 253.

overwhelming pressure of public opinion,[77] but in the absence of facts such speculation is futile. Whatever the cause, the president had sufficient power to maintain Argentina's neutrality to the end.

After the war Argentina was one of the fifteen Latin-American states that joined the League of Nations. At the first assembly, which met at Geneva, November 15, 1920, Señor Pueyrredón led the fight for the admission of all states to the League, including Germany. To accomplish this, it would have been necessary to amend the covenant; so the Argentinian delegates urged the consideration of four amendments which they regarded as essential if the League was to be established upon a broad and democratic basis. These amendments included compulsory arbitration by the International Court of Justice, the election of members of the Council by the Assembly, and the admission of all sovereign states unless they voluntarily decided to stay outside. When the Assembly refused to consider any amendments at its first session, the Argentinian delegation refused to coöperate further and withdrew. Although regarded as a member, it was not until 1933 that the Argentine Congress gave its authorization.

Both Argentina and the United States, the former a rather uninterested member of the League of Nations and the latter wholly outside of its jurisdiction, were made active participants in the Chaco dispute between Bolivia and Paraguay partly as a failure of the League's efforts and partly as a result of their interest in maintaining peace in the Western Hemisphere. In fact, the United States has been an interested party to the Gran Chaco question ever since President Rutherford B. Hayes handed down an arbitral award in 1878 which gave Paraguay the triangular territory between the Paraguay, Pilcomayo, and Verde Rivers. However, this award merely settled the disputed boundary between Paraguay and Argentina. Their neighbor, Bolivia, had certain claims to the Chaco and immediately objected that her rights were not given proper consideration.

When defeat in the War of the Pacific shut Bolivia off from

[77] As a protest the Argentinian ambassador at Washington, Señor Romolo Naon, sent in his resignation.

the sea her interest in the Chaco increased, since the Pilcomayo River was the only feasible outlet to the Paraguay River and the Atlantic. Fruitless efforts were made to establish a boundary between the two states but the claimants could not reach a suitable compromise. Each could establish an excellent claim, Bolivia by title, Paraguay by possession. Treaties were signed in 1879, 1887, and 1894, but none were ratified. In 1907 the two powers agreed to arbitrate the ownership of some 50,000 square miles in this area, but the President of Argentina, chosen as umpire, refused to act. A new protocol for a boundary settlement, signed in 1913, was no more successful than its predecessors. And so the negotiations continued intermittently and interminably until 1928 when diplomacy gave way to force.[78]

When the resort to arms occurred on December 8, 1928, representatives of the American nations including Bolivia and Paraguay were assembled at Washington working out treaties for arbitration and conciliation for the Western Hemisphere. The Secretary of State of the United States as chairman of the conference promptly offered the good offices of the conference. The proposal was accepted and a commission of inquiry and conciliation was appointed consisting of representatives from Colombia, Cuba, Mexico, the United States, and Uruguay and the two disputing states.

The Commission succeeded in obtaining a renewal of diplomatic relations and the reestablishment of the status quo as of December 5, 1928, but failed in the fundamental task of tracing a boundary line satisfactory to both powers. The commission's recommendation that the territory of the Hayes award be regarded as Paraguayan and the port of Bahia Negra be given to Bolivia as a preliminary to arbitration was acceptable to neither power.

As a next effort the five neutrals on the commission persuaded the two states to send representatives to Washington to work out a compromise and to sign a mutual pact of non-aggression. These negotiations began November 11, 1931, and in May, 1932,

[78] See Gordon Ireland, *Boundaries, Possessions, and Conflicts in South America* (Cambridge, Mass., 1938), pp. 66 *ff.*

the Commission presented the draft of a non-aggression pact. While this draft was under consideration new clashes between troops occurred in the Chaco, each side asserting that its opponent was the aggressor.

The neighboring states became worried, particularly Argentina, whose economic interests in the area seemed jeopardized.[79] She persuaded Brazil, Chile and Peru to offer their services to the commission of neutrals. This offer was accepted, and the immediate result was a recommendation through Mr. Francis White of the State Department, acting as chairman of the commission of neutrals, that all the American states unite in applying the so-called Hoover-Stimson doctrine of non-recognition to the Chaco dispute. This suggestion was accepted, and on August 3, 1932, the countries represented in the Pan American Union, exclusive of the disputants, warned Bolivia and Paraguay that they would "not recognize any territorial arrangement of this controversy which has not been obtained by peaceful means, nor the validity of the territorial acquisitions which may be obtained through occupation or conquest of arms." [80]

While the commission of neutrals and representatives of the ABCP powers were working in Washington hostilities increased in the Chaco, and in September the conflict had developed into sanguinary warfare. The League offered to assist, but the American powers still hoped for success. A comprehensive proposal, supported by the League and all the American states except the belligerents, was submitted on December 15, 1932, but this was refused. Independent proposals on the part of the ABCP powers were no more successful, and on May 10, 1933, Paraguay declared war on Bolivia. The League of Nations could no longer avoid responsibility, and it appointed a committee of five to visit the disputed area and work out a settlement with the two powers.[81]

The League Commission, consisting of representatives from Great Britain, France, Italy, Spain and Mexico, arrived at Monte-

[79] John C. DeWilde, "South American Conflicts, The Chaco and Leticia," *Foreign Policy Association Information Service,* Vol. IX, No. 6 (May 24, 1933), p 60.

[80] U. S. Department of State, *Press Releases,* August 3, 1932.

[81] *Ibid.,* June 27, 1933.

video on November 3, 1933, and visited Asuncion and La Paz to collect data on the controversy. Although definite figures were impossible to obtain, it was estimated that the losses were over 35,000 dead and 60,000 wounded. Bolivian troops from La Paz had to travel a thousand miles to the front, the last five hundred by truck or mule or afoot, ankle deep in dust in winter, in steaming heat in summer. Detachments had to hack their way through thickets to see the enemy. Both sides alleged cruel treatment of prisoners, and hygienic conditions were incredibly bad.[82]

The seventh Pan American Conference, which met at Montevideo from December 3 to 26, could not avoid consideration of the conflict, although the subject was not on the agenda. Secretary Hull made a special plea for peace during the conference, and an armistice was agreed upon to last from December 19 to 31. This was extended to January 6, but the League commission was unable to secure its further prolongation. At the close of the armistice Paraguay resumed the offensive and by the middle of January, 1934, had captured practically all of Bolivia's important positions and was in occupation of the entire war zone.

Determined not to permit the United States to aid the belligerents in this useless slaughter, President Franklin Roosevelt succeeded in having the Congress impose an arms embargo on both Bolivia and Paraguay.[83] When Bolivia protested Secretary of State Hull declared "the government of the United States has dedicated itself to the policy of the good neighbor. It would be in the highest degere inconsistent with that policy that arms and munitions of war manufactured in the United States should continue to be sold for the purpose of assisting in the destruction of the lives of our two sister republics of Bolivia and Paraguay. . . ."

Following up this policy of striving for peace, the Governing Board of the Pan American Union under the chairmanship of Secretary of State Hull on July 30, 1934, took the unprecedented action of adopting a resolution calling upon neutral American gov-

[82] *League of Nations Publication,* Official No. C. 154. M. 64. 1934 VII.

[83] U. S. Department of State, *Press Releases,* May 26, 1934. The League Assembly had already passed a resolution imposing an arms embargo on both belligerents.

ernments to indicate their attitude on unified action to bring the Chaco conflict to a close through arbitration.

In the meantime the League continued its efforts to bring about peace and after hearing the report of its commission and noting the refusal of both governments to accept, it decided upon more drastic measures. An extraordinary session of the Assembly on November 24, 1934, adopted a plan for settlement requiring an immediate cessation of hostilities, demobilization under the supervision of a neutral commission composed of representatives of the adjacent states, Brazil, and the United States, and the convocation of a peace conference in Buenos Aires within a month after the end of fighting.[84]

The United States agreed to coöperate with this neutral commission and also agreed to take part in the proposed peace conference at Buenos Aires. This last suggestion proved to be the germ of the ultimate settlement. When Paraguay refused the League solution it was declared to be the aggressor and the arms embargo lifted from Bolivia. Thereupon Paraguay gave notice of withdrawal from the League. However, her armies suffered from the embargo and her advance was stopped.

Seizing the opportunity afforded by the apparent stalemate in the field, Argentina and Chile on April 1, 1935, invited the cooperation of Brazil, Peru, and the United States to send representatives to Buenos Aires in a further effort to obtain peace. All accepted, and a mediation commission was set up in Buenos Aires which formulated a truce agreement. The arrangement provided for a twelve-day truce, during which a neutral military commission was to fix the positions of the armies pending demobilization which must take place within ninety days. It was also agreed that each state would reduce its military effectives to 5,000 men. Bolivia and Paraguay were to negotiate directly in a conference convoked in Buenos Aires by the mediators. If direct negotiations failed the whole problem was to be submitted to the World Court.

Hostilities ceased on June 14, 1935, and the truce agreement was

[84] See Helen Paull Kirkpatrick, "The League and the Chaco Dispute," *Foreign Policy Information Service*, Vol. XII, No. 9 (July 15, 1936)

ratified by both powers on June 21. The peace conference elected Dr. Saavedra Lamas, Foreign Minister of Argentina, president, and immediately began its sessions. At first Alexander W. Weddell, United States Ambassador to Argentina, and later Hugh Gibson, United States Ambassador to Brazil, served as the representative of the United States. When the negotiations lasted so long that they interfered seriously with the work of these men at their posts President Franklin Roosevelt appointed Mr. Spruille Braden as ambassador-at-large and sent him as his special representative to the conference.

Although demobilization had been completed by October, 1935, nevertheless the two belligerents could not agree upon a territorial settlement. Paraguay demanded all the area in dispute and Bolivia insisted upon access to the Upper Paraguay. Paraguay refused to repatriate the thousands of Bolivian prisoners she had taken until a full settlement was reached. On two occasions early in the conference Ambassador Weddell was credited with saving the conference from a complete breakdown. Secretary Hull was so much interested in procuring a settlement that he kept in daily touch with the proceedings. Finally, on January 21, 1936, after almost seven months of delicate, nerve-wracking negotiations, the two governments were persuaded to agree upon repatriation of prisoners and the renewal of diplomatic relations.

Another seven months elapsed before repatriation was "virtually" terminated, and it was not "officially" completed until another nine months had passed. There still remained the more difficult problem of drawing up a peace treaty which should establish an acceptable boundary. The committee continued its work until a settlement was reached in spite of two revolutions in each country and through various hostile incidents—on one occasion the neutral military observers were taken into custody. A personal appeal by President Roosevelt to the presidents of Bolivia and Paraguay, and the strong support rendered to the conference by President Ortiz of Argentina were important factors in achieving a settlement.[85] The peace treaty was signed at Buenos

[85] See the story of the Conference by Spruille Braden in Department of State, *Press Releases*, Vol. XX (Jan. 7, 1939), p. 1 *ff*.

Aires, July 21, 1938, and ratifications exchanged August 29. In Bolivia ratification was approved through a constitutional convention by a vote of 102 to 9; in Paraguay a plebiscite approved 132,000 to 13,000.

The first article of the treaty definitely reëstablished peace. It provided that the dividing line in the Chaco would be determined by the presidents of the six mediatory nations acting as arbitrators on the basis of equity. Certain limitations on the fixing of the line implicitly assigned one portion of the Chaco to Bolivia and another to Paraguay—the award to be made within two months of the date of ratification. The award had to be carried out within 90 days under the supervision of the Peace Conference. The boundary award, announced on October 10, 1938, was drawn through desert and swamp, distant from Bolivian and Paraguayan posts by from 30 to 120 kilometers. .As far as possible it was a natural frontier. Both states accepted the award immediately and unreservedly. One of the most serious boundary conflicts in South America was finally settled on the basis of common sense and justice through the patience and determination of the neighbors and friends of the two contestants.[86]

The recent relations between the United States and Argentina, although officially friendly, have lacked cordiality. On his visit to South America late in 1920 Secretary Colby was received with very little popular enthusiasm in Buenos Aires. Nor did President-elect Hoover on his good-will trip to Latin America in 1929 find the Argentinians overly eager to welcome him. The Hawley-Smoot Tariff Act of 1930 which not only penalized Argentinian imports into the United States by its high brackets, but placed unjust quarantine restrictions upon the entire Argentine live stock industry, increased the antagonism.

Argentina was quick to retaliate and in a most effective fashion. Our trade with Argentina during the years 1925-1929 averaged annually about $265,000,000; the average value for 1930-1934 was about $96,000,000, a drop of almost 65 per cent. Argentina turned towards Europe, particularly Great Britain, and by a series of bi-

[86] For text of Treaty see U S. Department of State, *Press Releases,* Vol. XIX (July, 1938), p. 44; for the Arbitral Award, *ibid.,* Vol. XIX (Nov., 1938), p. 263.

lateral agreements channeled her trade in that direction. The United States found its products discriminated against and every possible barrier raised. Nevertheless, the United States continued to buy almost 15 per cent of Argentine wool and almost 25 per cent of her linseed, hides and skins, and canned meats.

After Secretary Hull had brought the majority of Latin American states into his reciprocal trade agreement program, the State Department began negotiations in 1939 with Argentina. They failed, owing to the Argentine refusal to grant the United States equality of treatment with countries covered by bilateral agreements. But in 1941 when the European markets were practically unavailable, and Argentina found her elevators and storehouses overflowing with goods, she was more amenable. A reciprocal trade agreement was signed in Buenos Aires on October 14, 1941, to remain in force until November 15, 1944, and then to continue indefinitely subject to six months notice of abrogation by either party.

The most important feature of the agreement was that the United States was guaranteed equality of treatment in control regulations, import licenses, quotas, and governmental purchases or contracts. Argentina granted lowered duties or a continuation of existing duties on about 30 per cent of her imports from the United States as of 1940, whereas we granted reductions upon about 43 per cent of our imports from Argentina during the same period. The United States maintained the embargo upon chilled and frozen beef but reduced the tariff on canned meats, wool, and linseed. A new feature was the provision for joint consultation in case of any difficulty arising in operation.[87]

This trade agreement was a step in the right direction, but another cause of Argentina's attitude of unfriendliness was the quarantine restriction against Argentine chilled and frozen beef.[88] In 1935, a Sanitary Convention lifting the ban from areas known to be free from *aftosa* or hoof-and-mouth disease, was initialed by

[87] For text of Agreement, see *Department of State Bulletin,* Vol. V, Supp. (Oct. 18, 1941).

[88] Argentina was not even permitted to serve her chilled or frozen beef in the restaurant in the Argentine Building at the World's Fair in New York in 1939-40.

Secretary Hull and Ambassador Espil. President Roosevelt while in Buenos Aires in 1936 expressed a wish that the Convention might be made effective. However, up to date no action has been taken by the United States' Senate to approve it, nor is there any immediate prospect of its acceptance. Nevertheless, the Sanitary Convention should be passed not merely as a proof of the sincerity of the Good Neighbor policy but as an indication of our willingness to base our policy upon the fundamental principles of justice and equity.

The policy of Argentina in the second World War has not been more coöperative than it was in the first. During the short period when Roberto Ortiz was president, he showed himself a whole-hearted supporter of continental solidarity. He was one of the first heads of a state to support President Roosevelt's personal appeal to Hitler and Mussolini to maintain the peace. In an interview given to the United Press, November 19, 1940, President Ortiz strongly supported a plan of coördinated action by the peoples of the Western Hemisphere against foreign perils. But with his forced retirement through ill health, Vice-president Castillo finally took over the reins of the government and followed a policy of neutrality scarcely less friendly to the Axis than to the American nations. Although on December 9, 1941, Acting President Castillo decreed that Argentina did not regard the United States as a belligerent, nevertheless Argentina took the lead at the Rio Conference in preventing the passage of a resolution looking towards an immediate and unanimous break with the Axis. Buenos Aires soon became the center of Nazi activities for all South America to such an extent that they endangered both lives and shipping in the Western Hemisphere. Even when two Argentine ships were torpedoed, the *Victoria* on April 17, 1942, and the *Rio Tercero* on June 22, the Argentine government failed to obtain the redress originally demanded. However, when in November, 1942, United States Ambassador Norman Armour deliverd three confidential memoranda on Nazi activities, the Castillo government made charges of espionage against Captain Niebuhr, German naval and air attaché. When the German government refused to waive the

attaché's immunity and permit his trial, the Argentine government requested his dismissal.

There were many indications that the Castillo government was not generally representative of the Argentine people. The fact that the Chamber of Deputies staunchly supported the Damonte Taborda investigation of Nazi activities and actually voted a break with the Axis is evidence of the more representative body's attitude. After Brazil's entrance into the war and Chile's break with the Axis, the position of Argentina as the only neutral in the Western Hemisphere was not an enviable one. Discontent finally resulted in a military revolt on June 4, 1943. Nevertheless, the provisional government set up gave no indication of an intention to reverse the previous policy of neutrality. General Ramírez, as acting president, agreed to control Axis communications more carefully and expressed his desire for friendly relations with the other American republics. The United States granted immediate recognition but awaited developments before extending lend-lease aid to the military dictatorship.

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CHAPTER XVI

CHILE AND THE UNITED STATES

THE early history of Chile is a continuous record of strife and bloodshed. From the time of its discovery in the sixteenth century until the wars of independence, the Spanish conquerors of the land and their descendants were almost constantly waging offensive or defensive wars against the Araucanian Indians —the most warlike native tribes of the South American continent. Even throughout the period when the Chileans were striving valiantly to throw off the Spanish yoke their internal strife did not cease, and during the dictatorship of Carrera and his brothers, from 1811 to 1813, conspiracies and counter-revolutions followed with monotonous regularity. The factional bitterness between the Carreras and Bernardo O'Higgins, son of the old Irish captain-general and the acknowledged leader of the radical faction, became so great that the people could not unite effectively against the common foe. The result was the decisive victory of the royalist army at Rancagua, October 1, 1814, which almost annihilated the patriot hopes. Fortunately for Chile, it was shortly after this disaster that San Martín began organizing his famous army at Mendoza, and he warmly welcomed O'Higgins and the few officers who had escaped with him across the Andes.

The relations of the United States with Chile began in the troubled times of the Carreras. Joel R. Poinsett was commissioned by President Madison to visit the principal countries of South America and "to diffuse the impression that the United States cherish the sincerest good will towards the people of South America as neighbors, . . . and that in the event of a political separation from the parent country and of the establishment of an independent system of national government, it will coincide with the sentiments and policy of the United States to promote the most friendly relations and the most liberal intercourse between the

inhabitants of this hemisphere."[1] Poinsett first went to Buenos Aires and then into Chile, where he arrived in December, 1811. Don José Miguel Carrera, president of the *junta gubernativa,* welcomed him enthusiastically, assuring him of the sympathy and friendship of Chile for the United States and promising close commercial relations in the future. In his reply Poinsett expressed his pleasure at being "the first to have the honorable privilege of establishing relations between the two generous nations which ought to unite as friends and natural allies."[2] Poinsett quickly became an ardent supporter of the patriot cause. The Chilean historian, Barros Arana, declares that in all of his conversations the emissary let it be known that the government and people of the United States had a keen interest in the success of the Spanish-American revolution. He also assured them that supplies and munitions could be obtained in the United States, and gave the names and addresses of various merchants and manufacturers who would be most likely to furnish them.[3] He went so far as to participate more or less directly in almost all of the public affairs of Chile, and even accompanied Carrera in his first campaigns against the Spaniards.[4] The outbreak of the War of 1812 with Great Britain, however, destroyed all immediate hope of American assistance, and early in 1814 Poinsett returned to the United States, where, in spite of his unneutral efforts in behalf of Chile, he was warmly congratulated by Secretary Monroe for the ability and success with which he had conducted his delicate mission.

The results of the Poinsett mission were seen in the attitude of more than benevolent neutrality shown by Chile towards the United States in the War of 1812. American cruisers in the southern Pacific were allowed to dispose of their prizes in Chilean ports, and the Chilean government even seriously considered purchasing

[1] F. L. Paxson, *The Independence of South American Republics* (Philadelphia, 1916), p. 111.

[2] Diego Barros Arana, *Historia jeneral de Chile* (Santiago, 1887), Vol. VIII, p. 566.

[3] *Ibid.,* p. 567.

[4] *Ibid.,* 566, note 7.

some of them as a nucleus of a new navy.[5] Captain David Porter, who cruised in these waters in the U. S. frigate *Essex*, in his journal gives a picturesque account of the hospitality of the Chileans at Valparaiso. He was fêted and entertained most lavishly and given every accommodation. He confesses that it was generally believed that he had brought from the United States proposals for a friendly alliance with Chile and assurances of assistance in their struggle for independence; nor did it suit his purpose to disabuse the people of this idea.[6]

Poinsett's suggestion that war equipment be purchased in the United States did not fall on deaf ears. Early in 1816 Señor José Miguel Carrera landed in the United States with a view to purchasing supplies and obtaining the moral support of the United States, and he immediately looked up the two Americans whom he had formerly befriended, Poinsett and Porter. Commodore Porter, who was then living in Washington, received him cordially and introduced him to President Madison. "I was received," Carrera later wrote to his brother Luis, "as a man working for the same cause as they." Despite his friendly reception, Carrera soon perceived, however, that he could hope for no real support from the United States government. Proceeding to New York, he succeeded in interesting a number of American and French citizens in organizing an expedition; but, owing to a lack of funds and to rather uncertain security, he found great difficulty in purchasing ships and supplies. His friend Poinsett came to his aid, and he was finally able to purchase several indifferently armed ships; and, in spite of the efforts of the Spanish agents to have him arrested, he left the United States in one of his vessels, the *Clifton*, on December 3, 1816.[7]

Another attempt to obtain ships was made in the following year, when Manuel H. de Aguirre was commissioned as a private agent of Chile to obtain six war vessels in the United States, in addition to his commission as a representative of the government

[5] *Ibid.*, Vol. IX, p. 220; also J. B. Lockey, *Pan-Americanism: Its Beginnings* (New York, 1920), p. 205.

[6] David Porter, *Journal of a Cruise to the Pacific* (Philadelphia, 1815), Vol. I, pp. 102-112.

[7] Diego Barros Arana, *op. cit.*, Vol. XI, pp. 89-97

of Buenos Aires to obtain the recognition of the independence of the Argentine republic. After many trials he succeeded in having two sloops-of-war constructed; but before they could sail they were attached for debts at the instigation of the Spanish consul at New York. In desperation, Aguirre turned to President Monroe, asking him to purchase the vessels. Secretary Adams replied that this was impossible under the laws of the United States. He pointed out that, although Aguirre had built, equipped, and fitted for sea two vessels suitable for war purposes, yet on the ground that no proof was adduced that he had armed them he had been acquitted by the Supreme Court. "But," he concluded, "the government of the United States can no more countenance or participate in any expedient to evade the intention of the laws than it can dispense with their operation." [8] Aguirre finally settled the financial obligations and the vessels got away without further governmental interference.

During the latter part of the war of independence the relations between the United States and Chile were not so cordial as might have been expected, considering the excellent impression made by Poinsett. There were various reasons. Mr. Theoderic Bland, one of the commission of three sent by President Monroe, December 4, 1817, to investigate conditions in South America, and the only one who visited Chile, seems in some way to have become embroiled in the internal disputes between O'Higgins and the Carreras,[9] and his views, on the whole, were none too favorable to the patriots. Captain Eliphalet Smith, captain of the American brig *Macedonian,* got into difficulties upon several occasions with Lord Cochrane, the new commander of the Chilean naval forces, and the result was a series of claims filed against the Chilean government.[10] Captain Biddle, of the American sloop-of-war *Ontario,* also ran afoul Admiral Cochrane over the question of sa-

[8] W. C Ford [ed.], *Writings of John Quincy Adams* (New York, 1913-1917), Vol. VI, p. 450

[9] Barros Arana, *op. cit.,* Vol. XI, p. 546 (note). In the report that Judge Bland made to the President several sentences seem to indicate that he regarded Supreme Director O'Higgins as a despot who could not hear the loud call of the people for a Congress. See *American State Papers, Foreign Relations,* Vol. IV, p. 309

[10] *Infra,* pp. 418-420.

lutes. In 1819, when Lord Cochrane declared the whole coast of Peru to be in a state of formal blockade, the United States pronounced the blockade ineffective, and therefore not binding. As a consequence, a number of unfortunate disagreements arose between American merchants and ships and the blockading squadron.[11] With the final defeat of the Spaniards, this cause of friction was removed; and the independence of Chile was formally recognized by the United States on January 27, 1823, by the appointment of Mr. Heman Allen as minister plenipotentiary to Santiago.[12]

Mr. Allen did not enter upon the duties of his mission until April, 1824—the same month in which the papers of Santiago carried a report of the historic message of President Monroe. His reception was most cordial; all the highest functionaries of the state were present; and he was saluted with salvos of artillery. In reply to his speech, in which he assured the newly recognized government that no alliances or coalitions need henceforth be feared, the Chilean spokesman expressed his government's gratitude for the recognition of the independence of the new republics, and for the recent declaration of President Monroe which protected them from the proposed coalitions of the European sovereigns.[13] In spite of her appreciation of the promptness of the United States in despatching a diplomatic representative, Chile was unable, owing to internal difficulties and the emptiness of the treasury, to return the favor until 1827.[14]

Don Joaquin Campina, the first Chilean diplomatic envoy to the United States, was not entirely successful in his mission. One of the principal duties laid upon him was the negotiation of a treaty of friendship, commerce, and navigation. Another was

[11] J. B. Lockey, *op. cit.*, p. 210.

[12] J. B. Moore, *Digest of Int. Law*, Vol. I, p. 91. It should be noted, however, that Mr. W. G. D. Worthington had been received by the new government of Chile as Special Agent of the United States shortly after the declaration of independence February 12, 1818. Worthington was followed by John B. Prevost.

[13] Barros Arana, *op. cit.*, Vol. XIV, p. 368. An excellent sketch of the causes and steps leading up to the enunciation of the doctrine is given by the same author, *ibid.*, pp. 469-487.

[14] *Ibid.*, Vol. XV, p. 204.

the settlement of sundry outstanding claims. In neither of these tasks was he successful, owing to his belief that the arrangements proposed were far more favorable to the United States than to Chile. In 1830 he was transferred to Mexico. Two years later the American *chargé* at Santiago, Mr. John Hamm, succeeded in concluding a convention of peace, amity, commerce, and navigation with Chile, in which each side mutually engaged not to grant any particular favor to other nations respecting commerce and navigation which should not immediately become common to the other party. An explanatory convention was drawn up in the following year, and both treaties were ratified and proclaimed on April 29, 1834.[15] These treaties remained in force until January 20, 1850, when they were terminated on notice given by the Chilean government.

Before continuing the narrative of the relations of the United States with Chile, certain aspects of the latter's internal history must be noted. From 1823 to 1830 the country was given over to revolution and disorder. García Calderón gives a brief but vivid picture of the prevailing conditions. "The national life was chaotic —vandalism in the country, commerce paralyzed, industry at a standstill, finance in disorder, credit vanished, and politics revolutionary. . . . The political orgy continued until 1830, the Chilean people went from liberty to license, and from license to barbarism. At last the demagogy was checked by a man of superior powers, Diego Portales, founder of the Araucanian nation."[16] Portales was a man of strong mind and of practical ideas, and one who had the rare quality of being willing that others should hold the highest positions and reap the rewards, provided that he could direct the policy of the state along the road that would lead to peace and prosperity. As minister under President Prieto, his organizing genius was given full sway—"Prieto played not illy the rôle of a Washington to Portales' Hamilton."[17] He brought about internal peace, built highways and railroads, reorganized

[15] *Ibid.*, Vol. XVI, pp. 173-176. For text of the conventions see *Senate Document No. 47*, 48th Cong., 2nd Sess., p. 131.

[16] *Latin America Its Rise and Progress* (New York, 1913), p. 164

[17] T. C. Dawson, *The South American Republics* (New York, 1904), Vol. II, p. 196.

the national finances, established schools, and, as a final legacy, gave to Chile the aristocratic constitution of 1833.[18]

This constitution, with few changes remained the fundamental law of the country until 1925, and it made Chile the stablest of the South American republics. The half-dozen constitutions that preceded it were unsatisfactory, chiefly because of their liberality, and it was determined that there should be no criticism of this constitution because of the weakness of the government for which it provided. Although the government was vested in a president and a bicameral legislature, in actual practice it was an oligarchy, with the president wielding almost despotic powers. The presidential term was fixed at five years; but, as the constitution permitted reelection, every president until 1871, when an amendment prohibited a second term, served for a ten-year period. During periods of domestic trouble the president was given the power to suspend the constitutional guaranties. As a result, Presidents Prieto, Bulnes, and Montt checked all uprisings with an iron hand, and were dictators in all but name. Until 1861 Chile had peace, it is true, but at the cost of almost all civil and political liberty. However, the serious uprisings during President Montt's second term showed the strength of the reaction against the despotic methods of the government. The new president, Señor José Joaquín Pérez, elected in 1861, adopted a policy that was both liberal and effective, and not once during his ten-year term did he ask for the extraordinary powers which his predecessors had found so necessary.

The diplomatic relations betwen the United States and Chile throughout this period were confined almost exclusively to the prosecution of claims resulting from the seizure by Admiral Cochrane of certain sums of money belonging to American citizens. The first claim was for $140,000 taken from Captain Smith of the brig *Macedonian* in 1819. This the government of Chile finally agreed to settle by the payment of $104,000 with interest.[19]

[18] Text in amended form in W. F. Dodd, *Modern Constitutions* (Chicago, 1909), Vol. I. An exhaustive treatment of the Prieto régime (1841-51) is Raymon S. Valde's *Historia de Chile*, 4 vols. (Santiago, 1900).

[19] *Sen. Ex. Doc. No. 58*, 35th Cong., 1st Sess., p. 4. See also Barros Arana, *Un Decenio de la Historia de Chile* (Santiago, 1913), Vol I, p. 411.

The second claim was for a sum of $70,400, which was taken from Captain Smith in 1821 by a force of armed soldiers in the service of the Republic of Chile. This money was later turned over to Lord Cochrane, and distributed by him as prize-money or to discharge arrears of pay due to the officers and men in the service of Chile.[20] No claim for this sum was filed by the government of the United States against Chile until some twenty years later (May 19, 1841), when the American *chargé*, Mr. Pollard, brought it to the attention of the Chilean government.[21] After another delay of two years, during which the American *chargé* at Santiago continued to press the claim, the Chilean minister for foreign affairs replied that, due to the period of time that the interested parties had allowed to elapse, the claim was outlawed by prescription.[22] This brought a long and caustic rejoinder from Mr. Pendleton, who was now acting as American *chargé d'affaires*.[23] The interchanges finally became so heated that the Chilean minister threatened to put an end to all further correspondence. This would have been just as well, because after six months of bickering, which served only to embitter both parties, the dispute remained exactly where it started. Mr. Pendleton was finally recalled, and his successor, Mr. Crump, was instructed to press the claim, but in a courteous and respectful manner; for, as the American government conceded, the previous correspondence had been conducted "in a tone little calculated to secure an amicable adjustment of the matter in controversy." [24]

In 1846 Chile sent Señor Carvallo to Washington, with a mass of documentary evidence to prove that the property seized in the territory of the enemy was Spanish and therfore subject to capture as enemy property.[25] The documents were turned over to Mr. R. H. Gillett, solicitor of the Treasury, who, after careful

[20] *Sen. Ex. Doc. No. 58*, p. 5.
[21] *Ibid*, p. 30.
[22] *Ibid.*, p. 34.
[23] *Ibid.*, pp. 36-46.
[24] *Ibid.*, p 109. For a characterization of Pendleton and his methods from the Chilean point of view see Barros Arana, *Un Decenio de la Historia de Chile*, Vol. II, p. 582, note 6.
[25] *Sen. Ex. Doc. No. 58*, pp. 126-173.

consideration of the evidence given on both sides, decided that the goods belonged to American citizens. He further ruled that there had been no violation of neutrality, since the goods had been landed in an open port in Peru when that country was still under the government of Spain, and before Chile or Peru had been recognized by the United States.[26] Mr. Gillett's reply was made on May 29, 1848, and Secretary Buchanan, accepting it as conclusive, once more asked for a settlement. Señor Carvallo thereupon prepared another long answer, invoking, among other arguments, the rule of 1756 prohibiting neutrals in time of war from engaging in traffic forbidden to them in time of peace.[27] No answer was made to this until May 24, 1852, when Mr. Hunter, acting Secretary of State, stated that the United States had always denied the validity of the rule of 1756, and that, even admitting the legality of the rule, the seizure of American property by Chilean soldiers on Peruvian soil would not be justified by it.[28] Since no solution by diplomatic means seemed possible, Señor Carvallo suggested arbitration, and the King of Belgium was finally agreed upon. Even then, six years elapsed before a convention of arbitration was signed, on November 10, 1858.

Each of the contracting parties now agreed to submit to the King of Belgium the following questions: (1) whether the claim was just in whole or part? (2) if just, what amount should be paid by Chile as indemnity for the capture? (3) whether interest should be paid, and if so, at what rate and from what date? The question of prescription was excluded. The designated arbitrator accepted the case and handed down an award on May 15, 1863. He found the claim well founded, but that of the amount seized only three-fifths belonged to citizens of the United States. He also granted interest at 6 per cent on this sum ($42,000), but only from 1841, when the United States filed the claim, to 1848, when arbitration was agreed upon.[29] A few other claims were still pending

[26] *Ibid*, pp 173-333.
[27] *Ibid.*, pp. 334-393.
[28] *Ibid.*, pp. 393-409.
[29] For summary of evidence and text of award see J. B. Moore, *History and Digest of International Arbitrations*, Vol. II, p. 1449.

against the Chilean government, but they were for smaller sums and all were ultimately settled by diplomatic means.[30]

The relations between the United States and Chile during the period 1835 to 1860 were not merely lacking in cordiality through the question of claims. Our various diplomatic representatives seemed unable to protect this country's interests and at the same time remain on friendly terms with the Chilean government. Richard Pollard, *chargé d'affaires* from 1835-1842, an exceedingly able diplomat, felt it necessary to stalk out in the midst of a state dinner given by the President of Chile because of a serious slight to his diplomatic standing due to his position at the table.[31] His successor, J. S. Pendleton, used such vigorous language to the Chilean foreign minister that the latter threatened to cease correspondence with him.[32] But the culmination of these personal unpleasant relations was reached during the mission of Seth Barton of Louisiana. He first got into a wrangle over his failure to raise the legation flag on a national holiday; shortly afterwards his horses were impounded instead of being returned when they were found as runaways; and finally he became involved in a violent dispute with the archbishop of Valparaíso who objected to his marriage with a Chilean woman of wealth and high social position, and refused to perform the ceremony. After the marriage had been performed in the legation by an American navy chaplain, the archbishop wrote urging the minister's wife to leave her husband on the ground that she was not wedded according to the Church. This communication enraged Barton and he demanded that the priest be brought to trial for insulting the wife of the American minister. When the government disclaimed authority he became so insulting that the Chilean government demanded his recall. Barton, however, left forthwith and the legation remained closed for almost a year.[33]

Other events which added fuel to the growing antagonism were

[30] *Ibid.*, Vol II, p. 1449, note 1.

[31] William R. Sherman, *The Diplomatic and Commercial Relations of the United States and Chile* (Boston, 1926), p. 41.

[32] *Ibid.*, p. 45.

[33] See Henry Clay Evans, Jr., *Chile and Its Relations with the United States* (Durham, N. C., 1927), pp. 71-72; 122-126

Chilean sympathy with Mexico in its war with the United States; the collapse of the short agricultural boom brought about by the sale of flour to California gold-rush hordes; and the harsh treatment accorded Chileans who had been lured to California by the gold fever and had run afoul of vigilance committees. Writing in 1855, United States Minister Starkweather declared that "the United States and her citizens are the objects of constant and virulent attack and the chosen target of scurrilous abuse on the part of the press of the country . . . it has even been proposed to expel them from the country and close the ports of Chile against them and their commerce." [34]

In 1865 Chile became engaged in a war with Spain in consequence of the high-handed methods of that power in dealing with Peru. Spain had seized the Chincha Islands, and Chile feared that unless the South American states stood together she would attempt to regain her authority over them. Public feeling ran high, and a riot occurred in front of the Spanish legation at Santiago. This, together with a series of other incidents which manifested an unneutral attitude on the part of Chile, brought a Spanish fleet into Valparaíso Bay, and its admiral gave the Chileans four days in which to apologize and salute the Spanish flag.[35] When this was refused, the Spanish squadron proceeded to blockade the Chilean coast. Upon several occasions the United States offered her good offices, both to Spain and to Chile, but without success. The American minister at Santiago, Mr. Thomas H. Nelson, although maintaining a correct and neutral attitude, showed clearly in his despatches that he, as well as the other members of the diplomatic corps, felt that Spain was the aggressor and that the war was both useless and unnecessary. He even went so far as to suggest to Secretary Seward that "a peaceful solution of the controversy would be much more probable if, in addition to the tender of good offices, the United States would remonstrate with Spain upon her unjust and aggressive policy toward Chile. The

[34] W. R. Manning, *Diplomatic Correspondence of the United States, Inter-American Affairs 1831-1860* (Washington, D. C., 1935), Vol. V, p. 210.

[35] For a complete account of the causes of the war from the Chilean point of view see *For. Rel. of the U. S.*, 1866, Part. 2, pp. 349-362.

moral intervention, at least, of our government to protect the integrity of one of the American republics from unjustifiable attack on the part of a European power was never more urgently needed nor upon firmer grounds of right and justice." [36]

When, in March, 1866, news came to General Kilpatrick, who had succeeded Mr. Nelson as minister at Santiago, that the Spaniards intended to bombard Valparaíso, an unfortified town, he used every effort to prevent it. He first unofficially visited the Chilean foreign minister and tried to obtain his terms of peace, and then made a similar visit to the Spanish admiral. When this failed, he attempted to obtain the support of the British and French diplomatic representatives in asking that the United States squadron give protection to foreign property in the port and prevent the bombardment by force if necessary. As they were unwilling to interfere, the American minister did not feel justified in taking further responsibility in the matter. The bombardment took place on March 31, and the damage done to property and goods was estimated at from fifteen to twenty million dollars.[37] As a result of the failure of the United States to intervene when a squadron under Commodore Rodgers was at the very scene of action, the feeling of the Chileans towards the United States became very bitter. As General Kilpatrick phrased it: "Chile looked upon the United States as her best friend, and that friend had failed to assist her in her hour of need." [38] Secretary Seward, however, upheld the American minister's conduct and pointed out that peace was the constant interest and unwavering policy of the United States. The United States would resist any effort to assail wantonly the republican principle in the western hemisphere, but it had no armies for aggressive warfare, nor ambition for the character of a regulator. The policy of non-intervention began with Washington and still endured.[39] In spite of this statement of policy, Seward again made a very earnest effort early in 1867 to induce both parties to arbitrate their quarrel; but Chile was

[36] *Ibid.*, p. 369.
[37] *Ibid.*, p. 386.
[38] *Ibid*, p. 408.
[39] *Ibid*, p. 413.

still so bitter towards Spain because of the bombardment of Valparaíso that her conditions of settlement were uncompromising in the extreme. An armistice was finally arranged in 1868, which was just as good as peace, because, as the Chilean foreign minister declared, Spain could not and Chile would not resume the offensive.[40]

One important result of the war with Spain was Chile's realization of her need of a strong navy to protect her exposed sea-coast; in fact, Chile's tendency to become a militaristic nation dates from this period. Another result of the war was a temporary agreement between Chile and Bolivia in regard to the disputed boundary between the two countries in the desert of Atacama. When the two countries secured their independence from Spain, little attention was paid to this region because of its supposed worthlessness; but when, in 1841, guano was discovered, a sudden interest in the Atacama desert was manifested by both parties. In 1842 the Chilean congress passed a resolution by which all the guano in the province of Coquimbo in the littoral of Atacama, and in the adjacent islands, was thereby declared national property.[41] Hardly had the bill become law when the Bolivian representative in Chile asked that the measure, which thus extended Chile's frontiers to the prejudice of Bolivia, be revoked. Revindications continued on both sides, Bolivia insisting that her southern boundary was the twenty-seventh degree of latitude, *i. e.*, inclusive of the desert of Atacama, while Chile maintained that her territory extended north to the twenty-third degree of latitude. Inasmuch as Chile's various constitutions from 1822 to 1833 indicated Atacama as Chile's northern boundary, the Bolivian claim seemed well founded.[42] Chile, however, continued to hunt guano in the region, and in 1857 seized Mejillones and ousted the Bolivians. Bolivia protested vehemently, and when, in 1864, protests proved unavailing, she broke off diplomatic relations. Before war broke out, however, the trouble with Spain brought the two nations

[40] *Ibid.*, p. 322.

[41] V. M. Maurtua (Pezet's trans.), *The Question of the Pacific* (Philadelphia, 1901), p. 11.

[42] *Ibid*, p. 7. See also E M. Borchard, *Opinion on the Question of the Pacific* (Washington, D C., 1920), p 6.

together in a common cause, and by a treaty signed in 1866 the boundary line was fixed at the twenty-fourth parallel. The treaty further provided that the zone lying between the twenty-third and twenty-fifth parallels should be subject to a joint jurisdiction of both governments for the exploitation of the guano and mineral deposits, and that all products of the territory between the twenty-third and the twenty-fifth and exported from Mejillones should be free of duty.[43]

Various difficulties arose under this condominium arrangement, the Chileans claiming that Bolivia failed to carry out the terms of the treaty, and the Bolivians asserting that Chile was extending its terms out of all reason. The American minister to Bolivia, writing to Secretary Fish on January 31, 1872, pointed out the increasing possibilities of trouble between the two states owing to the recently discovered silver mines in the region under joint control.[44] Bolivia, apparently fearing further Chilean encroachments, signed an alliance with Peru in 1873 under which the two parties agreed mutually to guarantee their independence and sovereignty and the integrity of their respective territories.[45] Although essentially a defensive alliance, the terms were kept secret. However, there is little doubt that Chile was fully cognizant of the treaty. In 1873 Mr. Logan, the American minister at Santiago, was asked by the Chilean foreign minister to act as arbitrator in the boundary dispute with Bolivia; [46] and when this attempt failed a direct settlement was obtained by the two powers by a new treaty signed in 1874 abrogating the treaty of 1866.

The treaty of 1874 fixed the twenty-fourth parallel as the boundary between the two republics, but provided that such guano as was left between that parallel and the twenty-third should be equally divided. The clause that brought about war between the two countries provided that for twenty-five years the export duties

[43] Maurtua, *op. cit*, pp 16-17. For a fuller discussion from the Chilean point of view see Don Gonzalo Bulnes, *Chile and Peru* (Santiago, 1920), pp. 8-15.

[44] *For. Rel. of the U. S.*, 1872, p. 64. Nitrate also had been discovered in this region in 1866 by a Chilean explorer.

[45] Maurtua, *op. cit.*, p. 28. Bulnes, *op. cit.*, pp 58-66 For text see *The War in South America, Sen Ex Doc 79*, 47th Cong., 1st Sess., p 85.

[46] *For. Rel. of the U. S.*, 1874, p. 197.

levied on the minerals within the zones between the twenty-third and twenty-fourth parallels should not be raised.[47]

From Melgarejo, a Bolivian dictator, a Chilean company had obtained important concessions for exploiting the nitrate in this Bolivian zone. In 1878 the Bolivian congress, with the apparent purpose of regaining a small part of the wealth given away by a former executive, demanded, as a basis of renewing the contract, 10 per cent of the profits of the company—though it later changed this to read ten cents per quintal of nitrate exported. This was a clear violation of the treaty of 1874, and Chile protested and threatened to annul the former treaty. Bolivia persisted in her intentions and ordered the tax to be collected. Thereupon, on February 12, 1879, the Chilean minister demanded his passports, and two days later Chilean forces seized the disputed territory. Mr. Osborn, minister of the United States at Santiago, declared that Chile's movement was an exceedingly popular one, and that it was doubtful whether if the administration had taken any other course it could have sustained itself.[48]

Bolivia declared war on Chile on March 1, 1879, and from the beginning it was feared by Chile that Peru would take sides against her. Mr. Gibbs, the American minister at Lima, testified that public opinion in Peru was very hostile towards Chile, and the press demanded that the government declare war or resign.[49] The Peruvian government, however, seemed desirous of averting a war if possible, and sent a special mission, headed by Don José Antonio Lavalle, to propose arbitration. This mission was received with marked hostility by the Chilean populace, and when its proposals were laid before the Chilean government the latter immediately demanded an explanation of the secret alliance between Bolivia and Peru. Lavalle was unable to reply with complete frankness, and the Chileans, claiming that the mission was merely a ruse to gain time, refused to continue the negotiations unless Peru would abrogate the treaty of 1873, cease all military prepa-

[47] Maurtua, *op cit.*, pp 19-21.

[48] *War in South America*, p. 74. For the causes of the war from the Chilean side see pp. 78-83.

[49] *Ibid*, p. 98.

rations, and promise to remain neutral. The Peruvian plenipotentiary could not accept these terms, and Chile declared war on Peru April 5, 1879.[50] Neutral opinion seems to place the burden of responsibility for the failure to find a peaceful solution upon Chile. Sir Clements Markham, the English historian, declares that Chile sought a pretext for a war against Peru to gain her nitrate wealth, and Professor E. M. Borchard, the American publicist, in a later opinion found that Peru was sincerely desirous of avoiding war.[51]

Although the United States took no official action to prevent the outbreak of the war, Mr. S. N. Pettis, the American minister to Bolivia, made a special visit in August, 1879, to both Lima and Santiago in the interests of peace. This mission, undertaken without the direction or knowledge of the Washington government, was designed to acquaint each of the warring governments with the views of the other and thus to obtain a direct settlement. The United States government showed itself entirely in sympathy with his efforts by stating that, "unauthorized and even rash as Mr. Pettis' experiment might appear, the United States could not but rejoice at the result should the knowledge thus gained by the belligerents of each other's views conduce to an eventual settlement." [52] Although his mission did not succeed, Judge Pettis continued to strive for peace, and in a note to Mr. Seward, dated September 30, 1879, he urged that the United States offer to mediate, inasmuch as all the belligerents were expecting it and wondered at our delay.[53] The ministers in Bolivia and Chile were not so optimistic, and Mr. Osborn at Santiago felt that it would be most unwise for the United States to suggest mediation, since the war spirit was very strong in Chile and there seemed to be absolute confidence that Chile would conquer her enemies.[54]

Chile soon proved that she was far better prepared for war

[50] For the Chilean side see Bulnes, *op. cit.*, pp. 124-160; Rafael Egana, *The Tacna and Arica Question* (Santiago, 1900), pp. 32-40; for the Peruvian side see Maurtua, *op. cit.*, pp. 43-51.

[51] C. R. Markham, *The War Between Peru and Chile* (London, 1882); Edwin M. Borchard, *op. cit.*

[52] J. B. Moore, *Digest of Int. Law*, Vol. VI, p. 35.

[53] *War in South America*, p. 18.

[54] *Ibid.*, p. 97.

than either of her opponents, and was victorious in virtually all of the engagements on land and sea, although she was severely criticized for the cruel and harsh methods employed, for shelling unfortified towns, and for utterly disregarding the rights of non-combatants. By July, 1880, it was evident that she had won the war and that further operations would entail useless bloodshed. Therefore, on July 29, 1880, Mr. Evarts, Secretary of State at Washington, directed the American ministers in Santiago and Lima to press upon the Chilean and Peruvian governments the desire of the United States that peace be made on honorable terms.[55] Mr. Osborn thereupon offered the good offices of the United States, and Chile agreed to accept them, provided the other powers would also accept. It was finally agreed that each of the belligerents should send its representative to meet with the three American ministers accredited to the belligerent states on the U. S. S. *Lackawanna* in the Bay of Arica.

The conference convened on October 22, and Mr. Osborn, the dean of the American representatives, acted as chairman. At the first meeting Chile presented a memorandum outlining the bases upon which she would make peace. The principal provision, and the one that eliminated all chance of a settlement, was the demand on her part that the province of Tàrapacá be ceded to her as payment for the costs of the war. As this was territory never claimed by Chile in her most extreme boundary demands, and possessed an almost boundless store of the valuable nitrates, it was not to be expected that the allies would yield it. The Bolivian delegate proposed that Chile hold the territory until a suitable indemnity had been paid, and the Peruvian delegate proposed that the United States be given full power to arbitrate the question. Bolivia heartily agreed to arbitration, but Chile declared that, while arbitration was a satisfactory method before the outbreak of war, under the changed circumstances "there was no reason whatever why she should deliver up to other hands, honorable and secure as they may be, the decision of her destinies."[56] Mr. Christiancy, the American minister to Peru, felt that the terms

[55] *War in South America*, p. 116.

[56] The report and protocols in full are found in *ibid.*, pp. 405-418.

proposed by Chile were meant to be so extreme that the allies could not accept them; while Mr. Adams, the American minister to Bolivia, also reported that the Chilean government was not very much in earnest in its desires for peace. He declared that the main object of the Chileans was to break up the alliance between Peru and Bolivia and engage the latter republic in an alliance with themselves.[57] Both ministers thought it strange that Mr. Osborn should have let it be understood that the United States did not desire to act as arbiter on the question. Secretary Evarts was also curious on this score, and in a despatch dated December 27, 1880, he informed Osborn: "If it was your purpose to convey the impression that we would not cheerfully assume any labor and trouble incidental to arbitration in the interests of peace and in the service of justice, you have not correctly interpreted the views and ideas of this government.[58]

After the failure of the conference Chile prosecuted the war still more vigorously, and in January, 1881, she gained possession of Lima. Secretary Evarts, again desirous of putting an end to the conflict, urged the American ministers in both Lima and Santiago to use every effort in the direction of peace. Mr. Christiancy, however, informed him that the Chilean authorities in Lima declared that they would not accept the good offices of any neutral government nor those of any diplomatic official in Lima, but would treat only with the Peruvian government.[59] Owing to internal troubles in Peru, Chile refused to treat with either faction, thus remaining in control of Lima and its valuable customhouses; and Mr. Christiancy was of the opinion that Chile did not intend to make peace with Peru at all unless driven to do so by outside pressure.[60]

In 1881 the Garfield administration came into power, and James G. Blaine was made Secretary of State. The President immediately appointed General Kilpatrick minister to Chile and General Hurlbut to Peru. Both soon gave evidence that they were better

[57] *Ibid.*, p. 51.
[58] *Ibid.*, p 147.
[59] *Ibid.*, p 448.
[60] *Ibid.*, p. 467.

soldiers than diplomats. The instructions to both, dated June 15, 1881, were very similar, indicating a strong opposition on the part of the United States to a transfer of territory as a basis of peace. To Mr. Kilpatrick Secretary Blaine wrote: "At the conclusion of a war avowedly not of conquest, but for the solution of differences which diplomacy had failed to settle, to make acquisition of territory a *sine qua non* of peace is calculated to cast suspicion on the professions with which war was originally declared", and to Mr. Hurlbut: "As far as the influence of the United States will go in Chile, it will be exerted to induce the Chilean government to consent that the question of the cession of territory should be the subject of negotiation and not the condition precedent upon which alone negotiation shall commence." [61]

The two representatives interpreted their instructions in an entirely different manner. Shortly after his arrival at Lima, Mr. Hurlbut notified his colleague at Santiago that his instructions indicated that the United States wished peace, on fair and honorable terms, to be arranged as speedily as possible, but so that the integrity of Peruvian territory would be maintained. Chile, he thought, should be satisfied with a fair and reasonable indemnity for the expenses of the war.[62] To make his position clear he forwarded, on August 25, to General Lynch, commander-in-chief at Lima, a memorandum in which he thus laid down the position of the United States· "I wish to state further, that while the United States recognize all rights which the conqueror gains under the laws of civilized war, they do not approve of war for the purpose of territorial aggrandizement, nor of the violent dismemberment of a nation except as a last resort in extreme emergencies." [63] Mr. Hurlbut's statement was by no means agreeable to General Lynch, who, in a telegram to the Chilean government, asserted that the American Minister's "no annexation" declaration "complicates and endangers our occupation." [64] Thereupon the Chilean minister of foreign affairs interrogated Mr. Kilpatrick upon the forceful declarations of his colleague in Lima. Instead of taking the mat-

[61] *Ibid.*, pp. 157, 500.
[62] *Ibid.*, p. 513.
[63] *Ibid.*, p. 516.
[64] *Ibid.*, p. 162

ter up with Mr. Hurlbut, Mr. Kilpatrick immediately disclaimed the statements as unauthorized by the government of the United States and criticized his colleague for making them.[65] Mr. Blaine censured Mr. Kilpatrick strongly for his undiplomatic methods; nor was he entirely pleased with Mr. Hurlbut's emphatic partizanship. Inasmuch as no further friendly cooperation between the two American representatives could now be hoped for, Mr. Blaine decided to send a special envoy furnished with full powers to the three belligerent states.[66]

Mr. William H. Trescot, of South Carolina, was chosen for the task—which, indeed, had steadily become more difficult, owing to the openly manifested hostility of Chile to any interference of the United States. One evidence of this was Chile's treatment of the Calderón government in Peru. This government had been recognized by the United States in June, 1881, and in the following month the Chilean foreign minister had assured Mr. Kilpatrick that every effort would be made by Chile to strengthen it. Nevertheless, in September the Calderón government was suppressed by the Chilean authorities, and in November Señor Calderón was arrested and deported. Mr. Hurlbut interpreted this act as an attempt to continue the state of anarchy and confusion as a ground for Chilean occupation, and also as the reply of Chile to the known support of this government by the United States.[67] Mr. Blaine was inclined to accept the latter interpretation, and in his instructions to Mr. Trescot he authorized him to say to the Chilean government that if such a purpose was avowed it would be regarded by the United States as an act of such unfriendly import as to require the immediate suspension of all diplomatic intercourse.[68] His instructions further stated: "If our good offices are rejected, and this policy of the absorption of an independent state be persisted in, this government . . . will hold itself free to appeal to the other republics of this continent to join it in an effort to avert consequences which cannot be confined to Chile and Peru,

[65] *Ibid.*, p. 163.
[66] *Ibid.*, p. 168.
[67] *Ibid.*, p 561.
[68] *Ibid.*, p. 176.

but which threaten with extremest danger the political institutions, the peaceful progress, and the liberal civilization of all America." [69]

On the other hand, if Chile should receive in a friendly spirit the representations of the United States, Mr. Trescot was authorized, first, to concert such measures as would enable Peru to establish a regular government and initiate negotiations; second, to induce Chile to consent to such negotiations without cession of territory as a condition precedent; and, third, to impress upon Chile that she ought to allow Peru a fair opportunity to provide for a reasonable indemnity, letting it be understood that the United States would consider the imposition of an extravagant indemnity, making the cession of territory necessary, as more than was justified by the actual cost of the war, and as a solution threatening renewed difficulty between the two countries.[70] The envoy was further intrusted with the delicate task of inviting Chile to the conference of all the American republics, which Mr. Blaine was so anxious to hold in Washington.

Mr. Trescot arrived in Santiago January 7, 1882. But in the meantime President Garfield had been shot, Vice-President Arthur had been sworn in, and Mr. Frelinghuysen had succeeded Mr. Blaine as Secretary of State. Owing to the complete change in policy that followed, this change in the administration had a most unfortunate result on the mission. President Arthur decided to follow a hands-off policy in regard to the merits of the controversy, the indemnity, change of boundaries, and the personnel of the government of Peru. The clause in Mr. Trescot's instructions that contemplated the severance of diplomatic relations under certain contingencies was revoked entirely.[71] Before the revised orders were received by Mr. Trescot, he had obtained an assurance of the Chilean government that no offense was meant by the removal of Calderón, and also an acceptance of the good offices of the United States. An offer of peace was made upon the basis of the cession of Tarapacá and an indemnity of twenty million pesos payable in ten years, Arica to be occupied until payment was

[69] *Ibid.*, p. 178.
[70] *Ibid.*, p. 178.
[71] *For. Rel. of the U. S.*, 1882, p. 57.

made.[72] However, in an interview about a week later, what was Mr. Trescot's surprise and chagrin to learn from Mr. Balmaceda, the Chilean minister of foreign affairs, that his original instructions from Mr. Blaine had been published, that new instructions had been issued, and that these were then in the hands of the Chilean government. Further parleys were, for the time at least, useless; for, as Mr. Trescot remarked, "a diplomatist of ordinary experience would conclude, when he learns that his instructions have been communicated to the government with which he is negotiating before he receives them himself, that it is time for him to be silent until he does receive them." [73] However, Mr. Trescot was finally prevailed upon to sign a protocol on February 11, 1882, in which the bases of peace were the cession of Tarapacá, an indemnity of 20,000,000 pesos, and the retention of Tacna and Arica until payment should be made.[74]

The United States thereupon refused to be a party to peace on these terms and urged that Chile show herself more magnanimous. Mr. Trescot, however, knew that his mission had failed; for Chile would not consider any modification of her terms. Shortly afterwards he returned to Washington. From there, in a letter to Mr. Frelinghuysen dated June 5, 1882, he frankly pointed out the unfortunate consequences of the vacillating policy of the United States: "If the United States intend to intervene effectively to prevent the disintegration of Peru, the time has come when that intention should be avowed. If it does not, still more urgent is the necessity that Chile and Peru should understand exactly where the action of the United States ends. It would be entirely beyond my duty to discuss the character or the consequences of either line of conduct, but I trust that you will not deem that I am going beyond that duty in impressing upon the government that the present position of the United States is an embarrassment to all the belligerents, and that it should be terminated as promptly as possible." [75]

Mr. Frelinghuysen apparently did not realize that his ill-advised

[72] *Ibid.*, p. 61.
[73] *Ibid.*, p. 67.
[74] *Ibid.*, p. 83.
[75] *Ibid.*, p. 103

and futile efforts to obtain a peace through the moral influence of the United States were bringing his government into contempt in the eyes of all South America. Accordingly, although the United States stated in advance that under no conditions would it go beyond the tendering of its good offices, he persisted in intervening when Chile was firmly decided to make peace only upon the terms that her victory made possible. Under instructions dated June 25, 1882, Mr. Cornelius A. Logan, the new minister to Chile, was "to continue the efforts of your government to induce Chile to settle the difficulty by such moderation in her demands as you may be able to bring about, taking care to impress upon that government that any substantial concession which it may now make will be regarded as a direct and graceful recognition of the disinterested counsels of the United States." Incidentally, Mr. Frelinghuysen no longer seemed to object to the cession of Peruvian territory; for, after noting the fact that Chile was in possession of Tarapacá, Tacna, and Arica, he vouchsafed the supposition that no contingency could happen that would bring about the permanent occupation and annexation by Chile of any larger part of Peru than this.[76] It is not strange that a Peruvian publicist was forced to admit that "this third attempt at mediation was still more disastrous in its results for Peru, as it was still more dishonorable for the credit and prestige of the Great Republic of the North. . . . It was no longer the glorious eagle, the emblem of the might and greatness of the United States, that came from Washington to the Pacific to compel the belligerents to lay down their arms and put an end to an iniquitous war of conquest; but the innocent and timid dove, the messenger of peace, sent by the Northern Colossus to beg the cessation of hostilities in the name of American fraternity." [77]

Mr. Logan soon showed a decided partiality for the Chilean point of view, while his colleague at Lima, Mr. J. R. Partridge, became an equally ardent supporter of the Peruvian claims. Although still a prisoner, President Calderón finally refused to

[76] *Ibid.*, 1883, p. 76.

[77] Alejandro Garland, *South American Conflicts and the United States* (Lima, 1900), p xiii.

negotiate further with Mr. Logan as mediator, on the ground of his over-friendliness towards Chile; and Mr. Partridge upheld him in the stand.[78] The latter even went so far as to propose common action to the representatives of Great Britain, France, and Italy; but this unauthorized proposal was immediately disavowed by Mr. Frelinghuysen, and as a result of it Mr. Partridge was recalled. Meanwhile a faction in northern Peru under the leadership of General Iglesias was corresponding directly with the Chilean government, and in return for recognition it agreed to sign a peace upon Chilean terms. Mr. Logan strongly urged that the United States recognize the government of Iglesias.[79] A protocol of peace was signed in May, 1883, and its terms were incorporated in the treaty of Ancon signed by the representatives of Chile and Peru, October 20, 1883. The third intervention of the United States had failed quite as completely as the other two in preventing the territorial dismemberment of Peru. As Mr. Alejandro Garland puts it: "This is the sad history, in as far as Peru is concerned, of the amicable intervention of the United States; . . . its unfortunate, vacillating, and contradictory policy only defeated its own ends." [80]

By the terms of the treaty of Ancon, Tarapacá was ceded in perpetuity to Chile, while the provinces of Tacna and Arica were to be held by Chile for ten years, and at the expiration of that period a plebiscite was to determine whether they should remain under Chilean sovereignty or be returned to Peru. The country then receiving the two provinces was to pay the other country $10,000,000.[81] This plebiscite, which should have been held on March 28, 1894, ten years after the ratification of the treaty, has never been held, and it is this question that has been called "the Alsace-Lorraine question of South America."

A well-meant attempt at settlement was President Harding's invitation of January 18, 1922, to both powers to send representatives to Washington, to thresh out the question under the auspices

[78] *Ibid.*, p. xv.
[79] *For. Rel. of the U. S.*, 1883, p. 103.
[80] Garland, *op. cit.*, p. xvi.
[81] For full text see *British and Foreign State Papers*, Vol. LXXIV, p. 349.

of the United States.[82] The invitation was accepted, and the conference was opened by Secretary Hughes, May 15, in the Hall of the Americas of the Pan-American Building. He congratulated the delegates upon the noble and conciliatory attitude animating both governments, and pointed out that this was "an auspicious time to heal old wounds and to end whatever differences may exist in Latin America," and said that there could be no more agreeable harbinger of a better day and a lasting peace upon this hemisphere than the convening of this conference of the representatives of the republics of Chile and Peru.[83] Bolivia protested vigorously at not being allowed to participate in the conference; but both Chile and Peru were unwilling to extend the scope of the conferences to include Bolivian claims. After arduous sessions for two months, a protocol was signed July 21, 1922, whereby Chile and Peru agreed to arbitration of the controversy by the President of the United States; and Secretary Hughes informed the plenipotentiaries that President Harding was ready to act as mediator.[84]

The terms of the agreement provided in substance that: (1) the arbitrator should decide whether or not in the present circumstances the plebiscite should or should not be held; (2) if held, the arbitrator should determine the conditions; (3) if not, both parties at the request of either should discuss the situation, (4) failing to agree, they would solicit the good offices of the United States.

Both sides chose their counsel, prepared their cases, and submitted them to the arbitrator on November 13, 1923. The Peruvian case was primarily an attempt to prove that, since the plebiscite to decide the ownership of the province had not been held according to the terms of the treaty, because Chile had not permitted it, and since the conditions had now changed so completely from what they were in 1894 that such a plebiscite would be a mockery, therefore Peru should be confirmed as the undisputed owner of the

[82] For more extensive treatment see G. H. Stuart, "The Tacna-Arica Dispute," *World Peace Foundation Pamphlets,* Vol. X, No. 1 (1927), Sara Wambaugh, *Plebiscites Since the World War* (Washington, D C, 1933), Vol. I, Chap. IX; W. J. Dennis, *Tacna and Arica* (New Haven, Conn., 1931).

[83] *N. Y. Times,* May 16, 1922.

[84] *Ibid.,* July 22, 1922

territory.[85] Chile argued that since the plebiscite had not been held the arbitrator was practically limited to determine under what conditions it should be held. She then discussed these conditions with reference to the time and method of holding the plebiscite and the payment of the ten million *soles*.[86]

The award was handed down by President Coolidge on March 4, 1925, and was a lengthy document of some 17,000 words.[87] In regard to the holding of the plebiscite the arbitrator held that the provisions of Article III of the treaty of Ancon were still in effect; that the plebiscite should be held; and that the interests of both parties could be properly safeguarded by establishing suitable conditions therefor. As to the conditions of the plebiscite the arbitrator decided that all males, with the exception of military or civil employees of either country, over twenty-one years of age and able to read and write, were entitled to vote, provided that they were born in Tacna-Arica or had been living continuously in the territory for two years on July 20, 1922. A commission of three members, a Chilean, a Peruvian, and an American as presiding officer, was given complete control over the holding of the plebiscite, this commission to be appointed within three months of the date of the award and to begin work not later than six months from the date of the award. The payments to the losing state were to be made over a period of five years.

The award was received with great approval by Chile. Church bells were rung, the newspapers issued special editions, and the American ambassador, Mr. Collier, was given an ovation at every appearance in public. In Lima, however, the decision was regarded as a national calamity. A general strike began, traffic was suspended, newspapers failed to appear, and an uprising against the government was staged which was put down with the sacrifice of some forty lives. Americans were insulted and their business boy-

[85] *Arbitration Between Peru and Chile. The Case of Peru* (Washington, D. C., 1923).

[86] *Tacna-Arica Arbitration. The Case of the Republic of Chile* (no place or date).

[87] *Opinion and Award of the Arbitrator. In the Matter of the Arbitration between the Republic of Chile and the Republic of Peru* (Washington, D. C., 1925).

cotted. Ambassador Poindexter, hitherto exceedingly popular, was given a special guard to protect the embassy from mob violence. On April 2, 1925, the Peruvian government sent an official memorial protesting against the award and requesting certain guaranties in the conduct of the plebiscite.[88] President Coolidge replied, however, that the record fully covered the question raised and that under the terms of submission they had been settled by the award "finally and without appeal." [89]

The plebiscite commission began its work on August 5, 1925, with General Pershing serving as chairman, but soon found itself unable to function effectively owing to the refusal of Chile to grant the guarantees which General Pershing felt were necessary before registration could commence. On December 9, 1925, a resolution was passed severely censuring the Chilean authorities in Tacna-Arica for not only failing to exercise their powers so as to make a fair plebiscite possible, but for using their powers unlawfully to reduce the number of Peruvian voters in the plebiscitary territory.[90] The Chilean member prevented a dissenting opinion and later appealed to President Coolidge; but the latter in a decision handed down on January 15, 1926, upheld the powers of the commission.[91] On January 27, the day that the plebiscite law was approved by the commission, General Pershing returned to the United States on account of ill health, and General Lassiter took his place. He made every effort to carry out the plebiscite, but owing to the refusal of Chile to grant the guarantees approved of by General Pershing, the Peruvian members refused to participate in the registration which began on March 27.

On June 14, General Lassiter presented a report to the commission on conditions in the plebiscite area in which he declared that "suitable conditions for the plebiscite, if they have existed at any time within recent years, did not exist when the commission began its labors in August, 1925, they do not exist now and there

[88] *Arbitration between Peru and Chile. The Memorial of Peru and the Ruling and Observations of the Arbitrator* (Washington, D. C., 1925).

[89] *Idem.*

[90] *Amer. Jour. of Int. Law,* Vol. 20 (July, 1926), p. 607.

[91] *Ibid.,* p. 614.

is no prospect of their being brought into existence." [92] He then placed the blame for the situation upon the Chilean authorities, and gave specific instances of the outrages which they permitted to be perpetrated upon the Peruvians. Therefore, believing it beyond the powers of the commission to hold an "unfair and make-believe plebiscite, he recommended the termination of plebiscitary proceedings." The resolution carried.

Approximately a dozen conferences had been held in Washington for a settlement by mediation when the publication of the Lassiter report temporarily put an end to negotiations. However, in August and September it was reported that Secretary Kellogg was still conferring with the plenipotentiaries of the two powers in the hopes of settlement.

On November 30, Secretary Kellogg made what was reported to be the last proposal of the United States to the Chilean and Peruvian governments. In brief, it was proposed that the two powers agree to the cession "in perpetuity of all right, title, and interest" in Tacna and Arica to Bolivia upon an apportionment of equitable compensation, appropriate economic arrangements, and perpetual demilitarization of the territory. Treaties of friendship, commerce and navigation were then to be arranged between Chile and Peru. Finally as an international memorial to the valor of Chile and Peru, a fitting monument might be erected on the Morro headland of Arica—this memorial to be internationalized.

Although this proposal was no more successful than the others —it was accepted unconditionally only by Bolivia—through the good offices of Secretary Kellogg the two states were finally persuaded to resume diplomatic relations. In October, 1928, after seventeen years of severed relations, a Chilean ambassador was received in Lima and a Peruvian in Santiago.

An era of more cordial relations had begun and the Presidents of Chile and Peru took advantage of President Hoover's good-will trip to Latin America in 1929 to bring about a settlement. At their suggestion he agreed to submit a proposal which had been care-

[92] Full text of report in *World Peace Foundation Pamphlets*, Vol. X, No. 1, Appendix III; also in *U. S. Daily*, June 18-20, 1926. Also in Sarah Wambaugh, *op. cit.*, Vol. II, p. 468.

fully prepared giving Tacna to Peru and leaving Arica to Chile. The dividing line was to start at a point to be named Concordia and run parallel to the Arica-La Paz railway. Peru received an indemnity of $6,000,000 and all public works constructed in Tacna. Arica was made a free port and Peru given a wharf, custom-house and railway station there. The two governments agreed to erect a joint monument on the Morro of Arica to commemorate the settlement.[93] Ratifications of this treaty were exchanged July 28, 1929, and a month later the province of Tacna, after fifty years of Chilean control, raised the Peruvian flag, settling thereby the most thorny and long standing dispute in Latin-American diplomacy.

In addition to the protracted dispute over Tacna and Arica the United States also became seriously involved in Chilean affairs in 1891, in connection with the civil war between President Balmaceda and the Congressionalists.[94] Owing to his autocratic methods, President Balmaceda, who had been elected in 1886, was in constant conflict with Congress during his five-year term. His declared intention to dictate the choice of a successor, and an illegal decree of January 5, 1891, continuing in force the estimates of the preceding Congress, brought about an armed revolt.[95] Mr. Blaine was again Secretary of State in the Harrison administration, and Mr. Patrick Egan was the American minister to Chile. After a number of serious clashes between the two Chilean factions, Mr. Egan, together with the representatives of France and Brazil, offered their good offices, and both the government and the revolutionists accepted them. While the conferences were being held, bombs were thrown at several of the government ministers while returning from the Senate; and this so exasperated the government that negotiations were abruptly discontinued.[96] About a month later Mr. Egan again proposed mediation on the part of the United

[93] For text of treaty and maps of boundary settlement, see Enrique Brieba, *Limites entre Chile y Peru*, 3 vols (Santiago de Chile, 1931).

[94] For an interesting and detailed account of this period see William R. Sherman, *op. cit.*, Chap. VI.

[95] President Balmaceda's story of the causes is found in *For. Rel. of the U. S*, 1891, p. 94.

[96] *Ibid.*, pp. 123-130.

States; but, although the Balmaceda government was willing, the revolutionists refused.[97]

During the course of the revolution an incident took place that tended to arouse public opinion on the side of the revolutionists against the United States. They had despatched the *Itata* to San Diego, California, to obtain a cargo of arms and ammunition; but the Balmacedists, learning of it, warned the United States government, which immediately placed on board a United States marshal to see that its neutrality laws were respected. However, when the captain of the *Itata* learned that the cargo was ready on a schooner off San Clemente Island, he set sail without clearance, taking the United States official with him. The American agent was afterwards put ashore, but the *Itata* took on its cargo and carried it to Chile.[98] There, however, Admiral MacCann refused to allow the cargo to be landed and insisted that the boat and its cargo be returned to San Diego under a United States convoy. The Congressionalist faction conceded the justice of the act, but the rebels bitterly resented the loss of the cargo and looked upon the United States as aiding the Balmaceda government.

By the end of August the Congressionalist forces were completely victorious. Balmaceda resigned, and, fearing mob violence, sought refuge in the Argentine legation. His family and a large number of the government officials sought asylum in the American legation. The Chilean government protested against Mr. Egan's protection of the refugees, and various acts of disrespect were committed showing the hostility towards the American minister. Mr. Egan, however, refused to surrender the fugitives unless they be given safe conducts, and he was ultimately successful in carrying out his purpose.[99]

The constant friction between the American legation and the Chilean authorities, the rumor which had been given wide circulation that Admiral Brown had sent secret information to President Balmaceda regarding the movements of the Congressionalists, the *Itata* affair, and the protection afforded by the United States

[97] *Ibid.*, pp. 135, 140, 145.
[98] J. B. Scott, *Cases on International Law* (Boston, 1902), p. 732.
[99] J. B. Moore, *Digest of Int. Law*, Vol. II, pp. 791-798.

representatives to the defeated faction, all served to stir up bitter animosity towards everything Yankee. As a result, when, on October 15, 1891, Captain Schley of the U. S. S. *Baltimore* gave shore leave to 116 petty officers and men, a concerted attack was made upon them on the Valparaíso water-front. One petty officer was killed, one sailor later died of his wounds, and seven or eight others came out of the mêlée with from two to eighteen stab-wounds. Thirty-six of the sailors were arrested, and while being taken to prison were cruelly beaten and maltreated. An investigation made by Captain Schley showed that the police made little effort to protect the Americans and in some cases joined in the attack.[100] When apprised of the affair, the authorities offered no expression of regret, and a little later the Chilean minister of foreign relations sent a most offensive note to the Chilean minister at Washington, declaring that there was no exactness nor sincerity in what was said at Washington.[101]

This brought matters to a head, and on January 21, 1892, after an exhaustive investigation had been held at Mare Island directly upon the return of the *Baltimore*,[102] Secretary Blaine notified Mr. Egan that President Harrison had come to the following conclusions: First, that the attack was upon the uniform of the United States Navy, having its origin and motive in a feeling of hostility to this government and not in any act of the sailors. Second, that the public authorities of Valparaíso flagrantly failed in their duty to protect our men, and that some of the police and of the Chilean soldiers and sailors were themselves guilty of unprovoked assaults upon our sailors before and after arrest. Third, that suitable apology and adequate reparation should be demanded for the injury done to this government. Mr. Egan was further instructed to say that the expressions imputing untruth and insincerity to the President and to the Secretary of the Navy in their official communications to the Congress of the United States were in the highest degree offensive to this government, and that if the offensive parts were not at once withdrawn and a suitable apology offered, the

[100] *Relations with Chile, House Ex. Doc. No. 91,* 52nd Cong., 1st Sess., pp. 115-118.

[101] *Ibid.*, p. 178.

[102] *Ibid.*, pp. 341-607.

President would have no other course except to terminate diplomatic relations with the government of Chile.[103] Four days later, before a reply to this note was received, President Harrison laid the whole matter before Congress in a special message.[104]

The new government that had in the meantime come into existence in Chile was more favorably disposed towards the United States, and the new minister of foreign relations returned a very courteous reply to the demands of our government. Sincere expressions of regret were offered for both the assault and the unfortunate despatch; and in regard to reparations, although the court at Valparaíso had not yet finished its investigation, Chile offered to submit to the Supreme Court at Washington the question of whether there were any grounds for reparation and in what shape it should be made.[105] This reply was entirely satisfactory to the United States, and Mr. Egan was directed to state that the President was ready to meet the friendly overtures of the Chilean government in the most generous spirit, and that, as for reparations, he had no doubt that the whole matter would soon be settled in a just and honorable fashion by diplomatic means.[106] The hope was justified, for in July of the same year Chile offered $75,000 in gold, to be distributed among the families of the sailors injured and killed in the *Baltimore* affair. The United States immediately accepted it.[107] The same year the two nations signed a claims convention whereby all other claims were to be settled by arbitration by a commission sitting at Washington.[108] The commission sat from October 9, 1893, to April 19, 1894, and awarded $240,564.35 to meet the claims of citizens of the United States.[109]

Following this period of difficulties and misunderstandings, the relations between the United States and Chile have become very friendly. During his visit to Chile in 1906 Mr. Root expressed the belief that the difficulties of the past arose primarily out of the lack

[103] *Ibid.*, p. 193
[104] *Ibid.*, pp. iii-xiv.
[105] *For. Rel. of the U. S.*, 1891, p. 309.
[106] *Ibid.*, p. 312.
[107] *Ibid.*, 1892, p. 62.
[108] *U. S. Stat. at Large*, Vol XXVII, p. 965.
[109] *Compilation of Treaties in Force* (Washington, D. C., 1904), p. 127.

of mutual acquaintance, and declared that the completion of the Panama Canal was bound to bring about more intimate relations, and that this was the time to say that these relations should be those of friendship.[110] Friendlier feelings have subsequently been shown in many ways. President Montt was cordially welcomed on his passage through Panama in 1910 en route to Europe.[111] In 1911 the long-standing Alsop claim was settled by arbitration,[112] and in 1914 a treaty for the advancement of general peace was signed, which provided that all disputes not settled by diplomatic means should be submitted for investigation and report to an International Commission.[113]

Chile remained neutral during World War I; and, considering the fact that her outlook was on the Pacific, and that she was so far removed from the seat of hostilities, her attitude was logical. Señor Beltran Mathieu, Chilean ambassador to the United States, thus explained his country's neutrality: "Chile was neither solicited nor compelled, because she was not involved in the political causes of the war nor in its sphere of action, and because no one considered that a nation so far removed from the theater of hostilities might be useful as a military or financial entity, while she was so as a factor of production, for which peace was essential." [114] At the outset, however, owing to German propaganda and German instructors in the army and the schools, there was a noticeable friendliness towards the German cause. As the war progressed, the attitude changed, and when the United States entered the conflict, Chilean sentiment was overwhelmingly pro-Ally. *El Mercurio* seemed to express the common feeling: "The nations of South America, bound to the United States by historic bonds and by the intellectual relations which are being daily perfected, are today more than ever obliged to sustain the cause which President Wilson defends." [115] Throughout the war the country's vast stores of ni-

[110] *For. Rel. of the U. S.*, 1906, Part I, p. 153.
[111] *Ibid.*, 1910, pp. 130-132
[112] *Ibid.*, 1911, pp 38-53.
[113] *U. S. Stat at Large*, Vol. XXXIX, Part II, p. 1645.
[114] *Amer Jour. of Int. Law*, Vol. XIV (Apr., 1920), p. 333.
[115] P. A. Martin, "Latin America and the War," *League of Nations* (Boston, 1919), Vol. II, p. 257. See also C. S. Vildósola (P. H. Goldsmith, trans.), *Chile and the War* (Washington, D. C., Carnegie Endowment for Int. Peace, 1917).

trate were entirely at the Allies' disposal, and the importance of this assistance cannot be overestimated. After the war Chile joined the League of Nations, but with the express reservation that the treaty of Ancon would not be submitted to the League.

The Alessandri government, which lasted from the president's inauguration in December, 1921, until his resignation in September, 1924, was one of great friendliness to the United States. In fact it was in the American embassy that he sought refuge after his resignation, and the American ambassador, Mr. Collier, accompanied him on the special train which took him to the Argentine frontier.[116] His enforced departure was due largely to financial difficulties caused by the reduced sales of nitrate, which cut sharply into the export tax receipts that formed a substantial part of the government's revenue. When the new government proved even less successful than the preceding, President Alessandri was invited to return.

One of his first acts was to invite a commission of financial experts headed by Professor Edwin Kemmerer of Princeton to devise measures to put Chile on a stronger financial basis. As a result of recommendations by this group, a Federal Reserve Bank was established in August, 1925, and a new banking law made effective in March, 1926. But the income from the nitrate taxes continued to diminish, and on the first of October Alessandri again resigned, owing to opposition to his policies, but not before putting into effect the more democratic constitution of 1925 which is still Chile's organic law. His successor also found himself unable to cope with the situation, and handed over the office in February, 1927, to General Carlos Ibañez, a man of strong personality whose overweening ambition and flagrant violations of the newly won constitutional guarantees brought about a *coup d'état* which sent him into exile in 1931. After another short period of revolutionary turmoil, the people welcomed back the liberal Alessandri and kept him in office from 1932 to 1938.

One of his chief accomplishments was the reorganization of the nitrate industry whose ever diminishing income was a serious blow to the nation's financial assets. This Chilean monopoly which in

[116] H. C. Evans, Jr., *op. cit.*, p. 193.

1913 produced over one-half of the world's supply of nitrogen was furnishing in 1932 only about four per cent. In 1930 the government went into partnership with the nitrate "oficinas" and removed the export tax so as to compete with the synthetic product. When this failed to achieve the hoped-for results, Alessandri fostered a new organization to make a government monopoly of exports of nitrate and iodine under an agency known as the Chilean Nitrate and Iodine Sales Corporation. Since United States citizens had invested about $58,000,000 in the two principal nitrate companies and the United States was the principal outlet for the product, this effort to reëstablish the nitrate industry in Chile was regarded with sympathetic interest. Although the improvement was not remarkable, the average annual export since 1933 has been about one-and-one-half million metric tons as against the 270,000 tons of 1932-33.

The success of the Alessandri administration presaged the election in 1938 of the governmental candidate Don Gustavo Ross, but a *coup* in September, 1938, by Jorge Gonzalez von Marees, a Chilean impregnated with Nazi ideas, upset the political situation. The *coup* failed; von Marees and his candidate General Ibañez were thrown into prison and a considerable number of their followers shot. In the reaction which followed, the Popular Front candidate, Pedro Aguirre Cerda, was elected by a majority of a few thousand votes.

The Popular Front Government of Aguirre Cerda was a new deal for Chile with decidedly leftist tendencies. Its program included better housing for the lower classes, improved health and educational conditions, labor legislation and additional social reforms. Its foreign policy was very friendly to the United States. Aguirre Cerda was an ardent admirer of Franklin D. Roosevelt's policies both domestic and foreign. Unfortunately Aguirre Cerda died in office late in 1941 and his successor, Juan Antonio Rios, although elected upon a platform of continental solidarity was very loath to break off relations with the Axis powers. Many reasons were offered to account for President Rios' hesitant attitude: resentment against outside pressure, Chile's 2600 miles of unprotected coastline, and the inability of the United States to assist effectively

in its defense, the important Nazi element, particularly in army circles, and the unwillingness or inability of Washington to clear priority orders.

The announcement of a proposed visit of President Rios to the United States in the fall of 1942 at the invitation of President Roosevelt aroused much speculation as to an early severance of diplomatic relations with the Axis. However, when it was evident that no break would occur before President Rios began his trip, Undersecretary of State Sumner Welles declared in a public address in Boston on October 8, 1942, that certain American republics were not preventing Axis espionage which had resulted in the sinking of ships and the loss of lives in the Western Hemisphere. The Chilean Government immediately entered a vigorous protest and followed by postponing the visit of President Rios. President Roosevelt voiced his regret at the postponement and expressed the hope that President Rios would come later but did not withdraw the accusation.

On October 20, 1942, the entire Chilean cabinet resigned and in the new cabinet the former Chilean ambassador to Uruguay, Joaquin Fernandez y Fernandez, took the portfolio of foreign affairs and Dr. Raul Morales Beltrami who had followed a vigorous policy as Minister of Interior in attempting to curb Axis operations was reappointed. When on November 5, the Inter-American Committee for Political Defense which was meeting in Montevideo released Ambassador Bowers' memorandum on Nazi subversive activities to the Chilean government, Dr. Morales announced that twelve Nazi suspects which the government had been investigating would be immediately expelled if found within Chilean jurisdiction. Matters now rapidly came to a head. On December 7, Minister of Interior Morales came to the United States on what was stated to be a private trip for reasons of health. Nevertheless, his conferences with President Roosevelt, Vice-President Wallace, and Under-Secretary of State Welles betokened a policy of closer coöperation. Immediately upon his return he made a report to the Chilean president and cabinet, and on January 20, 1943, the Senate by a vote of thirty to ten approved the severance of diplomatic relations with the Axis powers. This action of Chile left

Argentina as the only area still open to Nazi espionage and sabotage activities. As to Japan it remained to be seen whether she would carry out her threat to attack the vulnerable Chilean power stations on the long and exposed Pacific coast.

The war necessarily increased materially Chile's commercial relations with the United States. Whereas in 1939 only 31 per cent of Chilean trade was with the United States, in 1941 the figure had risen to 60 per cent. The value also increased from about 69 million dollars to about 165 million. The United States supplies most of Chile's petroleum, iron and steel sheets, tin plate, automobiles, tires, and tubes. Chile sends by far the largest share of its principal minerals, copper and nitrates, to the United States. During the first six months of 1942 Chile's agricultural exports to the United States amounted to over $6,000,000, approximately 65 per cent of the total value of her exported agricultural products.

Chile's principal contribution to the war was her increased production of vital strategic materials. Not only is Chile the world's greatest storehouse of nitrates, but she holds first place in Latin America in the production of copper—her 1941 production amounted to 465,000 tons, and a rise to over 500,000 was expected for 1942. The United States through Metals Reserve Co. contracted for a period of three years for practically all Chilean copper not sold to other American countries. Preclusive purchasing agreements were signed to cover all other strategic materials available such as manganese, lead, zinc, antimony, wolframite, molybdenum, cobalt ores, and refined mercury.

On the other hand the Export Import Bank of the United States made substantial loans to Chile for railway equipment and the purchase of industrial and agricultural products and machinery. Over $25,000,000 was authorized and almost $10,000,000 disbursed. The claim was made in the Chilean Chamber of Deputies during a debate in October, 1941, that the United States through lend-lease arrangements had offered Chile $50,000,000 of which Chile only need repay $15,000,000. Whether true or not such a loan was contingent upon Chile's break with the Axis powers and when that failed to materialize the value of war equipment sent was limited to the amount already under contract. But

when a break with the Axis finally occurred, negotiations were quickly resumed and announcement was made early in March, 1943, that a new lend-lease arrangement had been signed.

Chile and the United States have every reason to be the best of friends 'Chile has no oil and is utilizing all available coal, yet she must industrialize to live. The United States can furnish the hydroelectric machinery and other essential equipment required and can take a substantial amount of Chile's wealth of minerals. Chile needs rolling stock badly which the United States except in times of war can readily supply. The United States lacking Japanese labor should be able to take a considerable quantity of Chilean vegetables, fruits, and wine. Announcement was made in October, 1939, that a reciprocal trade agreement was to be negotiated with Chile. Unfortunately the opposition of United States labor and industry to concessions on Chilean copper and copper products prevented its conclusion. It is to be hoped that a new attempt will be made and that it will be successful.

The Chileans have been well named the Yanquis of South America. They are a very friendly people and quite sympathetic to their cousins of the north. The North American traveler always finds the atmosphere of Chile most pleasing and congenial. With the completion of the Pan American Highway and with cheaper air and water transportation, the beauties of Chile's lakes and mountains should bring thousands of North-Americans to visit the Switzerland of South America.

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CHAPTER XVII

THE UNITED STATES AND BRAZIL

THE United States of Brazil is the giant of Latin-American countries. In fact, it is about a quarter of a million square miles larger than the United States, exclusive of Alaska, Hawaii, and Puerto Rico. It is also a very sparsely settled country, averaging only about nine persons to the square mile, as compared with forty-one to the square mile in the United States. Nevertheless, because of its size it contains as many people within its borders as all the rest of South America combined. As one writer has put it, if Brazil were as densely populated as Belgium at the outbreak of the first World War, its territory would hold more human beings than exist at present on the entire face of the earth.[1] When speaking of Brazil one is almost compelled to use superlatives. It has the greatest river system in the world; it has the longest unbroken coast-line of any country in the world; its vast tropical forests and jungles have never yet been completely explored; its mineral wealth is as yet untapped; its agricultural possibilities are boundless.

In considering the Latin-American republics, Brazil must be placed in a class by itself for other reasons than its size. Its population is primarily of Portuguese stock, whereas all the rest of Latin America is Spanish. Its history, too, has been cast in an entirely different mold from that of its neighbors. Discovered by a Portuguese navigator in 1500, its early settlements were made by noble adventurers who were given vast tracts of land, or captaincies, where their powers were practically supreme. Later on it was unified into a single viceroyalty. But the strong, sturdy characteristics of these feudal lords and their followers have left a strong imprint upon the country's history.

Napoleon Bonaparte, whose influence on the New World, although indirect, has had momentous consequences, might almost

[1] C. S. Cooper, *The Brazilians and Their Country* (New York, 1917), p. 97.

be called the founder of modern Brazil. For it was his treacherous invasion of Portugal in 1807 that caused the royal Braganza family to flee to Brazil, transferring with it to Rio the seat of its government. Thus, at a period when all the rest of South America was straining at the bonds of royal sovereignty, Brazil was binding herself even more closely with imperial trappings. The immediate result, however, of Dom John's rule was to open Brazilian ports to the commerce of the world, to introduce the latest inventions of European genius, to repeal laws impeding progress and advancement, and to give the western kingdom the advantage of a government under the direction of a cultivated and enlightened, though rather weak-minded, ruler.[2]

In the meantime a regency was governing in Lisbon. But in 1820 a revolution took place in Portugal, and the result was the formation of a *junta* which was resolved upon a constitutional government, retaining the Braganza dynasty. The revolution spread to Brazil, and Dom John wisely decided to accept the proposed constitution. Shortly afterwards he sailed for Portugal, leaving his son Dom Pedro as regent of Brazil. In parting he foretold the separation of Brazil from the mother country and urged his son to seize the crown rather than allow it to pass to some adventurer.[3] His prediction was speedily verified. In the same year the Cortes at Lisbon passed decrees recalling Prince Pedro and reducing Brazil to a provincial status. The protest from Brazil was quick and decisive. Provisional *juntas* urged Pedro to remain, and he agreed to do so. When the Cortes threatened violence he called a constituent assembly, assumed the title of "Perpetual Defender and Protector of Brazil," and on October 12, 1822, was crowned "Constitutional Emperor of Brazil." The revolution was almost bloodless, and in less than a year after the declaration of independence every Portuguese garrison was driven from Brazilian soil.

The early relations of the United States with Brazil were not

[2] The standard history of this period is M. de Oliveira Lima, *Don João VI do Brazil*, 2 vols. (Rio de Janeiro, 1911).

[3] F. G. Calderón, *Latin America: Its Rise and Progress* (New York, 1913), p. 182.

so friendly as they have become today. The first American minister to the Portuguese court at Rio de Janeiro was Thomas Sumpter, Jr., whose duty it was to smooth the way for a permanent and cordial relationship, both political and commercial, with whatever form of government might be established. He presented his credentials in 1810 and immediately endeavored to obtain most favored nation treatment for American goods. He was not successful, however, and his position at the Court was not improved by his refusal to accept the very undemocratic court etiquette. When on one occasion the royal guards attempted to make him dismount at the passage of the royal family, he drew his pistols and threatened to shoot. Although Mr. Sumpter and his family became very unpopular in Rio for a period, the ultimate result was the annulment of this regulation for foreign diplomats.[4]

Another little incident occurred in 1818 to embarrass Mr. Sumpter's position. The U. S. frigate *Congress* had brought dispatches to Sumpter and during the visit one of the seamen, of Portuguese nationality, got into trouble on shore and resisted the efforts of the ship's officers to place him on board. He was later taken from the local jail by force by an American contingent. The Brazilian foreign minister objected to this action and demanded his return and an apology. The American commander apologized for the acts of his officers, but sailed away with his crew intact in spite of threats to detain him.[5]

At the beginning of the nineteenth century privateering was unquestionably a profitable source of income to many American ship-owners. Baltimore's reputation as a rendezvous of privateers became so notorious that at the conference of Aix-la-Chapelle in 1818 the Portuguese government submitted a memorial on the subject, and the powers agreed to take up the question in a friendly fashion with the United States.[6] Undoubtedly Brazil was back of the Portuguese protest, because it was Brazil that had suffered

[4] Lawrence F. Hill, *Diplomatic Relations Between the United States and Brazil* (Durham, N. C., 1932), p. 7.

[5] A. M. Breckenridge, *A Voyage to South America performed by the Order of the American Government in the years 1817 and 1818 in the Frigate Congress* (Baltimore, 1819), I, 92 *ff.*

[6] J. Q. Adams, *Memoirs* (Philadelphia, 1874-77), Vol. IV, p. 317.

particularly through this practice. The Banda Oriental, now the Republic of Uruguay, had been seized by the Portuguese in 1816 from Artigas and his Argentinian forces. Artigas, however, could not afford to lose Montevideo; hence he engaged a number of privateers to prey upon Portuguese commerce. The Abbé Correa, the Portuguese minister to the United States, asserted that the greater part of these privateers were fitted out and manned in the ports of the United States. Adams conceded not only that this abomination had spread over a large portion of the merchants and population of Baltimore, but that it had infected almost every officer of the United States in the place.[7] He also realized that Brazil had very good cause for complaint; in fact, the situation was so serious that if the positions were reversed the United States would have considered the injuries sufficient for a declaration of war.[8] The Abbé Correa was exceedingly pessimistic over the outlook and declared that "these things had produced such a temper both in Portugal and Brazil against the people and government of the United States that . . . they were now those whom they most hated, and if the government [of Portugal] had considered the peace as at an end, they would have been supported in the declaration by the hearty concurrence of the people." [9]

Fortunately, by 1820 the power of Artigas was completely broken. In 1821 the Banda Oriental was incorporated into the Portuguese dominions of Brazil, and when the independence of the Brazilian Empire was proclaimed in 1822 this Cis-Platine province was regarded as a part of it. A more friendly relationship between the United States and Brazil now ensued, and it was confirmed in 1824, when President Monroe became the first to recognize the independence of the new empire. At the cabinet meeting where the question was brought up Mr. Wirt opposed recognition on the ground that the government was monarchical and not republican; but both Calhoun and Adams favored recognition on

[7] *Ibid.*, p. 318.
[8] *Ibid*, Vol V., p. 177.
[9] W. C. Ford [ed.], *Writings of John Quincy Adams* (New York, 1913-17), Vol. VII, p. 70

the basis of independence alone, leaving aside all consideration of internal government.[10]

When the Brazilian *chargé* José Rebello, was received by President Monroe, May 26, 1824, he suggested a concert of American powers to sustain the general system of American independence, and in the following year he proposed a definite offensive and defensive alliance between the United States and Brazil against European intervention.[11] Monroe declined the proposal in private to Adams; but no official reply was made until Adams became President, when Clay declared that the prospect of a speedy peace between Portugal and Brazil seemed to make such an alliance unnecessary.[12]

At the close of 1825 a war broke out between Brazil and Buenos Aires over the possession of the Banda Oriental, which once more brought about strained relations between Brazil and the United States. Brazil had declared a blockade on all Argentine ports, and the American *chargé,* Mr. Condy Raguet, had protested on the ground that Brazil would not be able to make such a blockade effective. In the second place, he warned Brazil that the United States "have always denied the doctrine of general and diplomatic notifications of blockades as binding upon their citizens," and therefore no vessel could be seized as a prize for running the blockade unless it had been specifically warned.[13] Brazil, however, paid little attention to Mr. Raguet's protests, and even gave him further grounds for recriminations by impressing American seamen into the Brazilian navy. The constant infringement of American rights infuriated Raguet to such a point that his notes to the Brazilian government were not always couched in the most diplomatic language. A crisis was reached on March 4, 1827, when an American vessel, the *Spark,* which had cleared regularly from Rio for Montevideo, was seized just outside of the harbor by a

[10] J. Q. Adams, *Memoirs,* Vol. VI, p. 281.

[11] *Ibid.,* pp. 358, 475, 484; also J. B. Moore, *Digest of Int. Law,* Vol. VI, p. 437.

[12] See W. S. Robertson, "South America and the Monroe Doctrine," *Polit. Sci. Quar.,* Vol. XXX (March, 1915), pp. 82-105; also *For. Rel. of the U. S.,* 1906, Part I, pp. 116-121.

[13] *House Executive Document No. 281,* 20th Cong., 1st Sess., p. 9.

Brazilian warship and brought back as a prize, and its crew treated almost as pirates.[14] Mr. Raguet despatched a brief note to the Brazilian minister of foreign affairs asking for an explanation. The latter replied that the brig had increased her crew in Rio, that it had a warlike equipment with no license for it, and that therefore it was seized on the suspicion of being a privateer. The American *chargé* answered that if the government had thought proper to communicate its suspicions to him before the *Spark* had cleared, he would have cheerfully lent his aid in causing the suspicions to be removed. As it was, he declined to give any explanations. The next day he asked for his passports, and the Emperor, although "surprised at this precipitate request, couched in abrupt and vague language," ordered them to be delivered, but with the notice that the American representative would be answerable to his government for the consequences which might result.[15]

Before the break in diplomatic relations came, both Clay and Adams became convinced that Mr. Raguet's language and conduct were not so reserved as they should have been, and in a note dated January 20, 1827, Clay wrote Raguet that the President would have been better satisfied if he had abstained from some of the language employed.[16] When news of the rupture reached Washington, Adams wrote in his diary: "He appears to have been too hasty in his proceedings and has made us much trouble, from which we can derive neither credit nor profit"; and later, after conferring with Clay, it was decided not to sustain him.[17] On May 31, in a note to Mr. Rebello, the Brazilian *chargé*, Clay, although sustaining Mr. Raguet's protests, informed him that the latter's demand for his passports was without orders, and that, although there was an interruption of diplomatic relations at Rio de Janeiro, none existed at Washington. The secretary also promised to procure the appointment of a successor immediately, provided assurances

[14] *Ibid.*, p. 96.
[15] *Ibid.*, pp. 104-108.
[16] *Ibid.*, p. 108
[17] J. Q. Adams, *op. cit.*, Vol. VII, pp. 270, 272.

were given that satisfaction would be rendered for the injuries inflicted upon American persons and property.[18] Mr. Rebello promptly accepted the conditions, and Mr. William Tudor, a merchant at Lima, was named as *chargé* at Rio.[19]

This appointment proved excellent in every way. By his tact, good judgment, and diplomatic handling of the many serious cases that came up, Mr. Tudor placed the relations between the two nations upon a firm basis of friendly understanding. This was doubly fortunate because throughout the period of the war the actions of the Brazilian naval officials were constantly provoking fresh complaints, and some of these, as in the case of the schooner *Hero,* were so harsh and uncalled for that Secretary Clay characterized the circumstances of the outrage as almost incredible.[20] Yet at the same time the commerce of the United States with Brazil was increasing at such a rate that Clay was very desirous of concluding a treaty of commerce and amity with her on terms favorable to the United States. Mr. Tudor was successful both in settling the claims and in negotiating the treaty. Virtually all of the claims were settled on the terms of the claimants and by diplomatic action alone; while the French, who sent a squadron of eleven ships, obtained only a third as much and the British, who threatened direct reprisals, made no progress at all.[21] The treaty of commerce and navigation that Mr. Tudor concluded on December 12, 1828, was modeled upon the treaty concluded between the United States and Central America in 1825. The most-favored-nation clause was included, except for the relations between Brazil and Portugal, and the question of blockade was settled by declaring that only an effective blockade should be recognized. The treaty was to be in force for twelve years, and afterwards until notice of abrogation should be given by either party. The clauses

[18] *American State Papers, For. Rel.,* Vol. VI, p. 824. The whole incident is exhaustively treated in Hill, *op. cit.,* pp. 49-56.

[19] For a full and well documented account of these events see W. R. Manning, "An Early Diplomatic Controversy between the United States and Brazil," *Amer. Jour. of Int. Law,* Vol. XII (April, 1918), pp. 291-311.

[20] *House Ex. Doc. No. 32,* 25th Cong., 1st Sess., pp. 13, 66.

[21] *Ibid.,* pp. 152-221, 250.

regarding commerce and navigation were terminated in 1841, but those providing for peace and friendship still hold.[22]

Some impression of the satisfactory services of Mr. Tudor in increasing the friendly attitude of the Brazilian government towards the United States may be obtained from the Emperor's appreciation of them. In a special audience with Mr. Tudor, which Pedro I himself suggested, the Emperor declared that he had high respect for the United States, and the most sincere desire to cultivate and forever maintain the most friendly relations with them, and that the United States might be assured that such were his real feelings and such would be his conduct.[23]

Emperor Pedro's assurances were never put to the test. His popularity was already on the wane, and early in 1831 he was virtually forced to abdicate in favor of his infant son. Various causes contributed—the expensive and unsuccessful war with Buenos Aires, which resulted in the loss of the Banda Oriental; Pedro's constant efforts to support his daughter's claims to the throne of Portugal against his brother Miguel; his harsh and unfair treatment of his wife; his struggles against constitutional government and continuous opposition to the Chamber; and, finally, the fact that at heart he was Portuguese rather than Brazilian. The period that followed was the stormiest in Brazilian history. The government under the regency was in continual conflict with the provinces. Finally, factions striving for control at Rio agreed to declare the young Pedro of age in spite of his fifteen and a half years. Accordingly, on July 23, 1840, Congress unanimously declared that the young Emperor had reached his majority, and Dom Pedro II entered upon his imperial functions.

During this period the relations of the United States with Brazil continued to be most friendly. In their annual messages, both Van Buren and Tyler gave evidence of the fact, and in 1844 President Tyler noted that "the commercial intercourse between that growing Empire and the United States is becoming daily of greater

[22] For text see Malloy, *Treaties, Conventions,* etc., Vol. I, p. 133; for termination, Moore, *op. cit.,* Vol. V, p. 403.

[23] *House Ex. Doc. No. 32,* p. 222. For President Adams' appreciation see J. Q. Adams, *op. cit.,* Vol. VIII, p. 224.

importance to both, and it is to the interest of both that the firmest relations of amity and good will should continue to be cultivated between them." [24] But in 1846 an incident occurred which, although trivial in itself, developed into a complete breach of friendly relations between the two countries for a short period.

On October 31, 1846, Lieutenant Alonzo B. Davis of the U. S. frigate *Saratoga,* while on shore at Rio in pursuit of two deserters, found a sailor attached to his boat in a drunken brawl with two other American sailors. Davis interfered, disarmed the man, and was taking him back to the boat when a Brazilian guard came up, seized the three American sailors, and, after beating them severely, marched them off. Lieutenant Davis, having protested in vain, followed the patrol to the palace with a view to securing the sailors' release. However, upon entering the palace he also was seized and disarmed, and was kept in prison for two days. As soon as the American minister, Mr. Wise, learned of the occurrence, he protested vigorously to the Brazilian government, demanding the release of the imprisoned Americans, the disavowal of the outrage, and the punishment of the officers and soldiers of the Brazilian guard.[25] The Brazilian government freed Lieutenant Davis, but held the three seamen for further investigation, at the same time justifying both the conduct of the patrol and the arrest of Lieutenant Davis.

A long and acrimonious exchange of notes followed between Mr. Wise and the Brazilian foreign minister. The American minister insisted that inasmuch as Lieutenant Davis was in command of the sailor and was taking him back to the boat, and since no Brazilians were involved, the interference of the Brazilian patrol, its cruel treatment of the American seamen, and its subsequent arrest of the American officer were a direct insult to the American flag. The Brazilian government claimed that Lieutenant Davis had endeavored to interfere with the guard in its duty of preserving the peace within the sovereign jurisdiction of Brazil, and that therefore the Brazilian government was not only justified in its action, but had only surrendered the American officer as a proof

[24] J. D. Richardson, *Messages and Papers of the Presidents,* Vol. IV, p. 340.
[25] *Sen. Ex Doc. No. 29,* 30th Cong., 1st Sess., pp. 5-16.

of distinguished consideration for the United States.[26] The estrangement was increased by the action of Commodore Rousseau, commanding the U. S. squadron at Rio, who, indignant at the Brazilian stand, refused to salute on either the occasion of the baptism of the imperial princess or the celebration of his Majesty's birthday. All intercourse between the American minister and the Brazilian government thereupon ceased, Mr. Wise awaiting "calmly the first favorable and tangible occasion to come to explanations with them without danger of causing a more violent or open rupture, and not resenting their abuse in the newspapers, or their petty slights of not inviting me to a court, where the only reward for going and waiting for hours on a hot day in a hot uniform, is to make three bows forwards and three bows backwards, and then bob out of the imperial presence." [27]

An opportunity to resume friendly relations seemed to present itself in February of the following year, when Mr. Wise received despatches from Washington instructing him to request an audience from the Emperor to deliver in person the original of the answer of the President to a letter from him announcing the birth of a princess. Mr. Wise requested the audience, but was informed that, inasmuch as his acts were offensive in the respect due both to the Emperor and to the dignity of the nation, he could not be received till the Davis affair was settled. As a concession, however, the minister of foreign affairs offered to receive the President's letter and see that it reached "its high destination." [28]

In a reply couched in terms hardly conducive to more friendly relations, Mr. Wise informed the Brazilian minister that he was accredited minister to his Majesty the Emperor himself, and not as *chargé* to a minister of foreign affairs, and either he would present the President's note in person or it would never reach "its high destination."

In the meantime Mr. Lisboa, the Brazilian minister at Washington, had taken the matter up with Secretary Buchanan, but in a much more amicable fashion. He assured Mr. Buchanan that

[26] *Ibid.*, pp. 20-42.
[27] *Ibid.*, p. 45.
[28] *Ibid.*, p. 52.

"the Brazilian government, animated always with feelings of good understanding and perfect friendship towards the United States of America, has regretted extremely this disagreeable occurrence and will adopt the means proper to prevent similar occurrences hereafter." [29] In his reply Mr. Buchanan declared that the President was entirely satisfied with this frank and honorable explanation and that the whole occurrence, as far as the United States was concerned, would henceforth be buried in oblivion.[30] The Brazilian government, however, now insisted upon the recall of Mr. Wise, which it had suggested before, but which the United States had refused to consider. It was convinced that friendship and harmony were always in danger while so excitable a gentleman as Mr. Wise continued to be minister. Furthermore, the Emperor had determined that this particular gentleman should never again be invited to court. As a matter of fact, Mr. Wise himself had already realized the futility of remaining at Rio and had already asked to be recalled, but in such a way that his acts would appear to be approved in the fullest degree by the United States. Mr. Buchanan had agreed to this, and he informed Mr. Lisboa that Mr. Wise would soon return, but at his own request and not because the United States did not approve of his conduct.[31] As a result, the Brazilian government opened the case by disapproving the *amende honorable* of Mr. Lisboa and recalling him.[32]

The authorities at Washington received unofficial advice of this action before Mr. Tod, the newly appointed minister to Brazil, left the United States; and in his instructions Mr. Tod was advised that the President would not recede from his ground, and that the recall of Mr. Lisboa would be regarded as unjust to him as well as disagreeable to the President.[33] Mr. Buchanan at the same time gave to Mr. Tod a sealed letter from the President of the United States to the Emperor of Brazil, to be delivered by

[29] *Ibid.*, p. 134.

[30] *Ibid.*, pp. 135, 136. See also J. B. Moore [ed.], *The Works of James Buchanan* (Philadelphia, 1909), Vol. VII, p. 209.

[31] *Sen. Ex. Doc.*, p. 139.

[32] *Ibid.*, pp. 108, 109.

[33] J. B. Moore [ed.], *The Works of James Buchanan*, Vol. VII, p. 328

Mr. Wise, and announcing the termination of his mission. Mr. Wise, however, was given the option of not asking for the audience if he was sure that it would not be granted.[34] Mr. Tod arrived at Rio August 7, 1847, and immediately got into touch with Mr. Wise. The latter, who had in the meantime made a further effort to renew negotiations and had been curtly repulsed, advised against seeking an audience, on the ground that the recall and disapproval of Mr. Lisboa and the refusal to receive Mr. Wise, who had been sustained and approved by the United States, constituted an additional insult to the American government.[35] After giving the advice due consideration, Mr. Tod felt that such action was contrary to the spirit of his instructions and decided to ask an audience of the Emperor to present his credentials. The audience was granted, and he was duly presented at court on August 28. Mr. Wise thereupon wrote a note to the Brazilian foreign minister, informing him that he had a sealed letter from the President to the Emperor, but as it had been written before the President knew of the recent insults to the American minister for acts that the President had fully approved, he felt it wholly incompatible with either the honor of his government or his own self-respect to ask an audience to present the letter; he therefore peremptorily demanded passports for himself and family.[36]

At approximately the same time that Mr. Tod arrived at Rio, despatches reached the Brazilian *chargé* at Washington, Mr. Leal, informing him that Brazil had taken serious offense at the acts committed by Lieutenant Davis, for which it required ample reparation. He was also to demand from the government of the United States a categorical declaration that it had disapproved the conduct of its envoy, Mr. Henry A. Wise, and that it ordered his recall as a mark of reparation due to Brazil. If the government of the United States refused, but suggested arbitration, the imperial government would agree to that expedient. Finally, if Mr. Tod had already left the United States, Mr. Leal was to inform

[34] *Ibid.*, p. 333.
[35] *Sen. Ex. Doc.*, pp. 114-131.
[36] *Ibid.*, p. 132.

Mr. Buchanan that the imperial government would not receive him in his official character until satisfaction had been given.[37]

Mr. Buchanan's reply to these demands, dated August 30, 1847, showed that, although the United States was anxious to do everything possible to prevent a break between the two powers, it was determined to stand by its former statements. After once more carefully outlining all the facts of the Davis case, he declared that the United States would not grant reparation to Brazil for the acts committed by Lieutenant Davis, since reparation was clearly due from Brazil to the United States. The demand that Wise be disapproved and recalled he considered most extraordinary, inasmuch as the President had already publicly sustained his acts and had already recalled him at his own request. The present attitude of the Brazilian government following the amicable and honorable adjustment made by their former representative, and the refusal to receive the American minister, appeared to indicate that she intended an open rupture. Yet, as this seemed inconceivable, the President would take no decisive step until he learned that the government of Brazil actually refused to receive the American minister.[38] The following day Secretary Buchanan wrote to Mr. Tod advising him that if the Brazilian government refused to receive him without making the desired apology he was to return to the United States.[39]

As we have already seen, the Brazilian government did not carry out its threat to refuse an audience to the American minister. In a note to Mr. Leal, dated November 17, Mr. Buchanan expressed his gratification to learn that Mr. Tod had been kindly and courteously received by his Imperial Majesty, and was also pleased to learn that a new minister from Brazil would shortly be appointed to the United States. But in regard to the differences between the two governments he had nothing to add except to say that the President's views remained unchanged.[40] The same sentiments were indicated by Secretary Buchanan in his next des-

[37] *Sen. Ex. Doc. No. 35,* 30th Cong., 1st Sess., pp. 2-11.
[38] *Ibid.,* pp. 28-41.
[39] J. B. Moore [ed.], *The Works of James Buchanan,* Vol. VII, p. 404.
[40] *Ibid.,* p. 461.

patch to Mr. Tod, with the further injunction that he should press the settlement of certain claims of American citizens which had long been outstanding against the Brazilian government.[41]

The interest of the American government now shifted from the settlement of these diplomatic difficulties to the settlement of claims, and when Secretary Buchanan found that the Brazilian government apparently intended to allow the Davis affair to remain suspended, he urged Mr. Tod to press more vigorously on the claims.[42] Mr. Tod followed instructions, and on January 27, 1849, a claims convention was concluded between the two countries, whereby the Brazilian government agreed to place at the disposal of the United States 530,000 milreis (about $300,000) to comprehend all the reclamations.[43] The same year Mr. Sergio Texeira de Macedo was accredited envoy extraordinary and minister plenipotentiary to the United States and duly accepted. The following exchange of compliments between Mr. Clayton, the new Secretary of State, and Mr. Buchanan throw some light on the outcome: "If I go to the devil it will be because I am here daily engaged in covering up and defending all your outrageous acts. . . . The Brazilian Macedo laboured hard to revive your haughty discussion about Lieut. Davis and the drunken seamen in Rio. I refused to revive it, assumed you were altogether right (God assoilzie me for that) and dismissed him with compliments." Mr. Buchanan's reply to this was that "the Brazilian quarrel, which gave fair promise at one time of producing a tempest in a teapot, was virtually settled by your predecessor in the only effectual manner by assuming a just and lofty attitude in support of the lamblike Wise." [44]

The diplomatic relations between the United States and Brazil thenceforth became increasingly friendly. During the Civil War, Brazil gave numerous examples of a friendly disposition towards the Northern government, even though it insisted upon granting

[41] *Ibid.*, p. 462.

[42] *Ibid.*, Vol. VIII, p. 60.

[43] *House Ex. Doc. No. 19*, 31st Cong., 1st Sess., p. 1. For terms of distribution see J. B. Moore, *Hist. and Digest of Int. Arbitrations*, Vol. V, pp. 4609-4626.

[44] J. B. Moore [ed.], *The Works of James Buchanan*, Vol. VIII, p. 359.

to the Southern states the status of belligerents. Upon one occasion, when the *Alabama* captured some half-dozen American whalers in Brazilian territorial waters, and in the meantime lay in the port of the island of Fernando de Noronha (also under Brazilian sovereignty), Mr. Webb, the American minister, raised a vigorous protest. The Brazilian government immediately investigated the case, and when it learned that the commanding officer of the island had been over-friendly to the captain of the *Alabama* he was forthwith dismissed and proceedings begun against him. At the same time, the president of the province of Pernambuco gave the captain of the *Alabama* notice to leave the territorial waters of the empire within twenty-four hours.[45] On a later occasion information was again brought to Mr. Webb that the Confederate cruisers *Alabama, Florida,* and *Georgia* were obtaining coal and provisions in the ports of Pernambuco and Bahia in order to continue their destruction of the commerce of the United States.[46] Upon receiving Mr. Webb's protest, the Brazilian foreign minister again gave assurances that his Majesty the Emperor was firmly resolved to maintain, and cause to be respected, the neutrality of Brazil.[47]

The Confederate States, however, were not alone in violating the neutral territory of Brazil. On October 4, 1863, the *Florida* arrived at Bahia and was given forty-eight hours by the authorities to repair her boilers and obtain provisions and coal. The U. S. S. *Wachusett* happened to be in the harbor at the time, but the American consul was said to have given a pledge for the observance of neutrality by the vessel's commander. In spite of this, the *Wachusett* approached the *Florida* on the morning of October 7, and opened fire upon her. The commander of the Brazilian naval division intervened, and the firing ceased; but shortly afterwards it was seen that the *Wachusett* was towing the *Florida* out to sea. The Brazilian commander pursued but could not overtake her, and the *Florida* was brought to Hampton Roads. The Bra-

[45] *Diplomatic Correspondence of the United States,* 1863, Part II, pp. 1164-1169.

[46] *Ibid.,* p. 1171.

[47] *Ibid.,* p. 1177.

zilian government thereupon demanded (1) a public expression on the part of the Union government that this action was regretted and condemned; (2) the immediate dismissal of the United States commander, followed by the commencement of proper process; and (3) a salute of twenty-one guns, to be given in the port of the capital of Bahia by some vessel of war of the United States, having hoisted at her masthead during the salute the Brazilian flag. In a note to the Brazilian government dated December 26, 1864, Mr. Seward replied that the President disavowed and regretted the proceedings at Bahia; that he would suspend the commander of the *Wachusett* and direct him to appear before a court martial; that the consul, who admitted having advised and incited the commander, would be dismissed; and that the flag of Brazil would receive from the United States Navy the honor customary in the intercourse of friendly maritime powers. This would be done on the ground that the capture of the *Florida* was an unauthorized, unlawful, and indefensible exercise of the naval force of the United States within a foreign country, in defiance of its established and duly recognized government.[48] The salute was fired by Commander F. B. Blake in the harbor of Bahia on July 23, 1866, and the *Diario da Bahia* thus characterized the event: "It is thus that a great and spirited people give, in the face of the civilized world, a public and solemn proof of the sincerity of its professions of the sacred principles of justice." [49]

Just as the Civil War was coming to an end in the United States, Brazil was forced to enter a war which, although successful, imposed a heavy burden upon her people. The Paraguayan dictator, Francisco López, had been much incensed at Brazil's interference in a factional struggle in Uruguay in 1863. It was also rumored that Dom Pedro II had refused to entertain the dictator's proposals for his daughter's hand. At any rate, in the fall of 1864 López seized a Brazilian steamer on its regular trip up the Paraguayan River to Matto Grosso. He followed this up with an expedition against the southern settlements of Matto Grosso, which

[48] J. B. Moore, *Digest of Int. Law*, Vol. VII, p. 1090. See also Hill, *op. cit.*, pp 155-158.

[49] *Diplomatic Correspondence*, 1866, Part II, p. 317

were wholly unable to resist his well-disciplined troops. Brazil accepted the challenge, although she was by no means equipped to combat the wonderfully trained army that López had been preparing for years. Argentina, although in sympathy with Brazil, declared her neutrality. López, however, confident of his power, deliberately invaded Argentinian territory at the Parana River in order to strike at the heart of Brazil. The result was a coalition against him on the part of Argentina, Brazil, and Uruguay, a formal alliance being signed May 1, 1865.[50]

The war lasted five years and resulted in the death of López and the almost complete extermination of the Paraguayan people. "The heroism of Paraguay overcame numbers, destiny, and death," but to no avail. Out of a million and a quarter people living in Paraguay before the war, more than a million had perished, and of the less than a quarter of a million who survived more than five-sixths were women and children. Brazil played the leading part in the war and her losses were correspondingly great. It was estimated that the war cost her more than 50,000 lives and $300,000,000. Considering her sacrifices, Brazil deserves all the more credit for making no effort to extend her territory at the expense of her vanquished and helpless neighbor. By a preliminary agreement of peace, signed June 20, 1870, the allies' demands were limited to the establishment of complete freedom of navigation for the warships and merchant-vessels of the allies upon the Upper Parana and the Paraguay.[51] A definitive treaty of peace was signed between Brazil and Paraguay, January 9, 1872, whereby Brazil promised to respect perpetually Paraguay's independence, sovereignty, and integrity. The rivers Paraguay, Parana, and Uruguay were declared free to the commerce of all nations, and the boundaries between Brazil and Paraguay were to be settled by a special convention.[52]

[50] For text see *ibid.*, p 476; for a fair summary of causes of the war see *Dip. Corr*, 1867, Part II, pp. 248-250; the Paraguayan side is given in pp. 722-725.

[51] *British and Foreign State Papers*, Vol. LXIII, p. 322. For a survey of the operations and results of the war see C. E. Akers, *A History of South America, 1854-1904* (New York, 1904), pp. 130-188.

[52] *British and Foreign State Papers*, Vol LXII, p 277.

During the progress of the Paraguayan war a number of diplomatic incidents occurred in which the United States was interested. Early in 1866 Mr. Charles A. Washburn, the minister of the United States to Paraguay, informed his government that he was being prevented by the allies from passing up the Parana River to Asunción; although it appears from his despatches that an equal source of delay was the failure of Admiral Godon, in command of the American fleet, to furnish a boat with which to run the blockade. Secretary Seward protested vigorously, both to Brazil and to Argentina; and they finally gave the necessary orders, although under protest. Even then, Mr. Washburn was delayed considerably through Admiral Godon's lack of coöperation, and it was not until a year after he had tried to return that the American minister finally arrived at his post.[53] An even more serious diplomatic controversy occurred the following year, when Rear-Admiral Davis sent the U. S. S. *Wasp* up the Parana to convey Mr. Washburn and his family back to the United States. Permission was again refused by the Marquis de Caxias, and it was only when Mr. Webb, the American minister at Rio, threatened to ask for his passports that the *Wasp* was enabled to carry out the mission.[54]

All efforts on the part of the United States to use its good offices to settle the Paraguayan struggle were refused unconditionally by Brazil. In fact, Brazil appeared less inclined than Argentina to accept mediation.[55] An attempt on the part of Mr. Washburn to secure a similar result by a personal visit to the Marquis de Caxias, the Brazilian commander-in-chief, was equally unsuccessful.[56]

Perhaps the most satisfactory occurrence of this period to the United States was the decree of the Emperor of Brazil, dated January 22, 1866, opening up the Amazon, San Francisco, and other rivers to the merchant-ships of all nations. Ever since 1850 the United States had been sedulously striving to accomplish this re-

[53] *Diplomatic Correspondence,* 1866, Part II, pp. 307-326, 548-616. For an adversely critical discussion of the United States' policy see Hill, *op. cit.,* pp. 187-195. The position of the United States was sound, however, according to long established precedents of international law.

[54] *Dip. Corr.,* 1868, pp. 273-299.

[55] *Ibid,* 1867, Part II, p. 253.

[56] *Ibid.,* p. 714.

sult, on the ground that "this restricted policy which it is understood Brazil still persists in maintaining in regard to the navigable rivers passing through her territories is the relic of an age less enlightened than the present," and the merchant-vessels of the United States had the right to use these natural avenues of trade, not because of treaty stipulations, but because "it is a natural one —as much so as that to navigate the ocean—the common highway of nations." [57]

During the period following the war with Paraguay, Dom Pedro II was seen at his best. His upright and conservative character inspired confidence, and Brazil had little difficulty in obtaining the loans necessary to effect a financial rehabilitation. Nor did his success make him more autocratic or blind him to the need of progressive ideas. By visits to both Europe and the United States he broadened his point of view, and Brazil profited exceedingly by the statesmanlike policy of her enlightened ruler. Nevertheless, a growing sentiment in favor of republicanism was everywhere manifest. The general disposition seemed to be to allow the monarchical system to continue during the lifetime of the Emperor, but to assume that when the Princess Izabel and her unpopular consort, the Comte d'Eu, should take over the government it would be time to consider the wisdom of retaining a monarchical system in an otherwise republican continent.

The crisis came sooner than was expected. While the Emperor was traveling in Europe in 1887 for the betterment of his health, Princess Izabel, acting as regent, determined to abolish slavery. Laws had already been passed granting freedom to all children of slaves born after 1871, and to all slaves attaining the age to sixty years, but this process was considered too slow. The Princess insisted that a decree of immediate emancipation of all slaves in the empire be passed; and on May 15, 1888, the measure became law. Although there was no immediate outbreak on the part of the wealthy slave-owners and the landed aristocracy, the

[57] Mr. Marcy to the American minister to Brazil, Aug. 8, 1853; J. B. Moore, *Digest of Int. Law*, Vol. I, pp. 610-645. For the full correspondence see W. R. Manning, *Diplomatic Correspondence of the United States—Inter-American Affairs 1831-86* (Washington, D. C., 1932), Vol. II, *passim*.

monarchical party, through this decree, lost its strongest prop. Republican propaganda and revolutionary agitation spread rapidly, and the situation of the government became critical. Dom Pedro's return in August, 1888, stemmed the tide temporarily, but in the following year the military element threw in its lot with the republicans and decided upon an immediate *coup d'état*. The plans were made carefully and were carried out without a hitch. Early in the morning of November 15, 1889, the imperial palace was surrounded and the Emperor and his family were arrested. A proclamation announced the deposition of the Emperor and the establishment of a republican form of government with a provisional president at the head. There was neither bloodshed nor confusion, and a few days later the Emperor and his family were sent back to Portugal.[58]

It was to be expected that the United States would look with favor upon the new convert to republican institutions, and on February 19, 1890, the Senate and House of Representatives passed a joint resolution congratulating the people of the United States of Brazil on their adoption of a republican form of government.[59] Meanwhile the American minister had been instructed to maintain diplomatic relations with the provisional government and to give it a formal and cordial recognition "so soon as a majority of the people of Brazil should have signified their assent to the establishment and maintenance of the Republic." [60]

General Deodora da Fonseca, the provisional president, summoned a national congress, which met at Rio de Janeiro on November 15, 1890, to consider a draft of a constitution submitted by the provisional government. As finally adopted on February 24, 1891, the "Law of Constitution" established a federal system of government modeled very closely upon that of the United States. A president and vice-president elected directly for a four-year term, assisted by six secretaries of state appointed by the president, constitute the executive authority. The legislature consists of a Sen-

[58] See the scholarly article by Professor P. A. Martin, "Causes of the Collapse of the Brazilian Empire," *Hispanic American Historical Review*, Vol. IV, No. 1, pp 1-48 (Feb., 1921).

[59] *For. Rel. of the U. S.*, 1890, p. 21.

[60] J B Moore, *Digest of Int Law*, Vol. I, p. 160

ate of sixty-three members, three from each state and three from the federal district, elected for a nine-year term, and a Chamber of Deputies, in the proportion of not more than one for each 70,000 inhabitants, elected directly for a three-year term. The judicial power is vested in a supreme federal court of fifteen members. The states are given almost complete autonomy, except for matters that are purely national in scope. In theory Brazil now had a perfect type of representative republican government, although an arduous struggle and considerable bloodshed were required to put the theory into practice.[61]

Before the end of 1891 President Fonseca had brought on a series of revolutionary outbreaks through his arbitrary methods, and when the navy joined in the opposition he decided "in the interests of the nation" to resign. Vice-President Peixoto, who took over the presidency, governed for a short time in accordance with constitutional prerogatives. But military training and an autocratic disposition soon overcame his newly acquired constitutional inhibitions, and he became even more despotic than his predecessor. A revolt that started in Rio Grande do Sul spread rapidly, and in the autumn Admiral de Mello and Admiral de Gama, who were in command of the naval forces and of the naval school at Rio de Janeiro, threw in their lot with the revolutionists.[62] The struggle quickly developed into a real civil war, and the question came up as to the recognition of the insurgents as belligerents.

On October 24, 1893, the American legation at Rio de Janeiro received notice from Admiral de Mello that a provisional government had been established at Desterro and requested recognition by the United States as belligerents. When the request was brought to his attention, Secretary Gresham replied that, since the insurgents had not yet established and maintained a political organization justifying recognition, such an act would be unfriendly to Brazil and a gratuitous demonstration of moral support to the

[61] For text of the constitution see W. F. Dodd, *Modern Constitutions* (Chicago, 1909), Vol I.

[62] For a short résumé of the causes see *For. Rel. of the U. S*, 1893, pp. 68-70, or C. E. Akers, *op cit.*, pp. 250-266.

rebellion. The American minister was therefore instructed to remain an indifferent spectator.[63] Commodore O. F. Stanton, in command of the United States naval forces at the South Atlantic Naval Station, happened to arrive at Rio de Janeiro in his flagship just after the revolt had occurred. On entering, he saluted the Brazilian flag with twenty-one guns, and a government fort returned the salute. Subsequently, however, he saluted Admiral Mello with thirteen guns; the salute was returned, and the next day he made an official call upon the insurgent admiral. The Brazilian government protested, and the commodore was thereupon detached from his command and ordered home. After hearing his explanation, the Navy Department decreed that he had committed "a grave error of judgment," since it was known that the United States had not recognized Admiral Mello and his forces as entitled to belligerent rights.[64]

The question of recognition of belligerency brought up a conflict between Admiral Benham, who now commanded the American squadron, and Admiral de Gama of the insurgent fleet. Inasmuch as belligerent rights of the insurgents were not recognized, the naval commanders of the neutral squadrons refused to allow the insurgent forces to interfere with commercial operations except in the actual lines of fire. However, with the progress of the revolution the insurgents became inclined to interfere with neutral shipping, especially where the articles might be regarded as contraband of war. The British admiral and his European colleagues were inclined to submit to such interference. But Admiral Benham refused categorically and notified Admiral de Gama that he would use force, if necessary, to maintain American rights. An opportunity was given when several American vessels attempted to land their goods. When a shot from one of the insurgent vessels stopped the operation, the U. S. S. *Detroit* returned the fire, and the insurgents were notified that their boat would be sunk if she fired again. The threat was effectual and neutral commerce was not again interfered with. It might be noted, however, that Admiral Benham's *dictum* that the forcible seizure of contraband

[63] *For. Rel of the U. S.*, 1893, p. 63.
[64] J. B. Moore, *Digest of Int. Law*, Vol. I, p. 240.

by the insurgents from neutrals who were engaged in supplying it to the belligerent government would be an act of piracy has hardly received the sanction of international law.[65]

With the resources of the country behind him, President Peixoto was enabled to purchase vessels in Europe and the United States, and the insurgents finally realized that further resistance was useless. Furthermore, on March 1, 1894, a civilian, Dr. Prudente de Moraes Barros, was elected president, which not only proved that President Peixoto intended to abide by the constitution but also that a more liberal régime could be expected. By summer the rebellion was completely checked, and on November 15, 1894, Dr. Moraes took over the government. The neutral attitude adopted by Admiral Benham, which had prevented a blockade of Rio de Janeiro, naturally aroused feelings of more cordial friendship towards the United States, and on the same day that the new president was inaugurated the cornerstone of a monument to the memory of President Monroe was laid in Rio.[66]

The withdrawal of President Peixoto from public life marked the end of pretorian government in Brazil. President Moraes granted full amnesty to the majority of those who participated in the revolution, and then proceeded to eliminate all military influence in the control of the government. His administration was so successful that his chosen successor, Dr. Manuel Campos Salles, another civilian, had little difficulty in securing the election. President Salles continued the liberal and statesmanlike policies of his predecessor, governing strictly in accordance with the terms of the constitution. He was particularly successful in his financial policy, restoring Brazilian credit, which had been sorely tried by the costs of wars and uprisings and by the extravagant methods of the inexperienced republican officials. The next two presidents were also civilians, but in 1910 a soldier, Marshal Fonseca, formerly minister of war, was elected. Any doubts as to whether he would not attempt to govern after the fashion of his military predecessors were soon set at rest, and his administration was no less

[65] *For. Rel of the U S.*, 1893, pp. 115-117, also J B. Moore, *Digest of Int. Law*, Vol. II, pp. 1113-1120.

[66] *For Rel of the U. S.*, 1895, Part I, p 48.

constitutional than those of the civilians who preceded him. However, in 1914 the country once more turned to a civilian, Dr. Braz, who had served as vice-president with President Fonseca; and the subsequent president, Dr. Epitacio da Silva Pessoa, was also drawn from civilian ranks. Republican government in accordance with constitutional limitations seemed to have been firmly established in Brazil.[87]

Since the founding of the republic the relations between the United States and Brazil have unquestionably been more cordial than between the United States and any other South American country. President Cleveland's arbitral award in 1895 favoring the Brazilian line claim in the Misiones boundary dispute made him very popular in Brazil. The great Republic maintained an attitude of friendly neutrality during the Spanish-American War.

In 1904 the Brazilian government built a beautiful palace of marble and granite for its exhibit at the St. Louis Exposition, and later it had the structure sent back to Rio de Janeiro for use as a meeting-place for international conferences and similar gatherings. It was in this building that Secretary Root made his memorable address while acting as honorary president of the Third Pan-American Conference at Rio de Janeiro, July 31, 1906; and at the close the minister for foreign affairs of Brazil, Baron do Rio Branco, announced that henceforth the palace would be known as the Monroe Palace. It is interesting to note that today this palace stands at the head of the most beautiful street in Rio de Janeiro—the Brazilians say the most beautiful street in the world—and that this street now bears the name *Avenida do Rio Branco,* in memory of Brazil's most illustrious foreign minister.

The visit of Secretary Root not only enhanced the cordial feelings of friendship that bound the two nations together, but had a very practical result in improving commercial relations. The very next month a bill was introduced in the Chamber of Deputies which provided for a 20 per cent reduction of the tariff in favor of all countries importing more than 4,000,000 sacks of coffee annually free of duty. Inasmuch as the United States was the only

[87] The Vargas dictatorship is discussed *infra,* pp. 482 ff.

country coming within this category, the advantage was obvious.[68] This preferential tariff was renewed annually by presidential decree until 1911, when the reduction on flour was increased to 30 per cent. This advantage aroused the fears of the Argentine government, and the Argentine minister at Washington was instructed to threaten an increase of its tariff on American petroleum, lumber, and other staples if the United States attempted to secure any further concessions from Brazil. The United States immediately denied any intention of seeking further preferential treatment and promised Argentina a notice of six months in case unforeseen circumstances should change this situation.[69]

It was in this same year that a slight difficulty arose between the United States and Brazil through the so-called valorization of coffee. As far back as 1885 Brazil produced more than one-half of the world's coffee, and by 1900 it was producing more than two-thirds. In 1901 the production was tremendously increased, particularly in the state of São Paulo, the total crop amounting to more than 16,000,000 sacks of 60 kilos (132 pounds). This was more than four-fifths of the world's production and several hundred million pounds more than the world was consuming at that time. Steps were immediately taken to prevent further planting, and, although prices fell sharply, a fall in the Brazilian rate of exchange prevented ruin. In 1906, however, another unprecedented crop was harvested in Brazil, amounting to more than 20,000,000 sacks. At that time the world's annual consumption was estimated at about 17,000,000 bags; there were already on hand in the warehouses of the world about 11,000,000 bags; and the Caribbean region was producing almost 3,000,000 bags annually. The state of São Paulo faced utter financial ruin unless something radical was done. The valorization plan was the solution. Huge loans were floated in the United States and Europe, and São Paulo bought more than 8,000,000 bags and stored it in various countries. A super-tax of three francs per bag on exports enabled the state to meet the interest charges, and diminishing crops and an

[68] *Ibid.*, 1906, Part I, p. 135.
[69] *For. Rel. of the U S.*, 1911, pp. 30 *ff.*

increasing market in the following years enabled the state to market its stores at a profit.[70]

In September, 1911, a report by W. T. Chantland, special assistant to the Attorney-General, who had been detailed to investigate the valorization scheme in so far as it concerned the United States, stated that the plan violated Section 76 of the Wilson Act, identical with Section 6 of the Sherman Act, which gave the United States the right to seize and condemn property imported into the United States and held in restraint of trade. It was further claimed that the United States consumed 40 per cent of the entire world's output of coffee, or about 950,000,000 pounds of coffee per year. Therefore a mere rise of six cents per pound in the cost of coffee meant $57,000,000 a year to the people of the United States; and the valorization scheme had brought about a rise in excess of six cents.[71] The result of this report was a suit instituted by the Attorney-General in the District Court of New York against the Committee on Coffee Valorization of the State of São Paulo. The Brazilian ambassador immediately protested, and in his message to the state congress, July 14, 1912, the president of São Paulo declared that the action jeopardized in a very strange fashion the legal status of Brazilian coffee stored in New York.[72] After a series of notes the United States promised to drop the suit upon a promise of the Brazilian government that all of the stores of valorized coffee in New York would be sold in the open market before April 1, 1913.[73]

One of the results of the controversy was the temporary suspension on the part of Brazil of the preferential tariff on American goods. This entailed heavy losses for American exporters, and with the dropping of the suit the tariff concessions to the United States were revived. But, in order to cement the renewed friendly relations, the American government extended an invitation to Dr. Lauro Müller, the Brazilian minister for foreign affairs, to visit the United States to repay the visit made by Secretary Root to Brazil

[70] For a complete account see P. Denis, *Brazil* (New York, 1911), pp. 235-266.
[71] *For. Rel of the U. S.*, 1913, pp. 39-52.
[72] *Ibid.*, p. 55.
[73] *Ibid*, pp. 59-67.

in 1906. Dr. Müller accepted the invitation and was enthusiastically received. He remained in the United States more than a month, visiting and traveling from New York to San Francisco. A new link of appreciation and understanding was thereby forged.

Nevertheless in a report of the United States Tariff Commission, made in 1918, the preferential treatment accorded to certain imports from the United States by the Brazilian government was deprecated as being the only arrangement then in effect which was inconsistent with the general principle of equality of treatment.[74] Inasmuch as by Brazilian law preferences in tariff rates had to be granted annually, it was customary for the American ambassador to Brazil to make each year a formal request for the preferential treatment. However no request was made by the United States for the year 1923, and by an exchange of identic notes between Secretary Hughes and the Brazilian ambassador at Washington dated October 18, 1923, each country agreed henceforth to accord the other unconditional most-favored-nation treatment.[75] As a matter of fact the result was by no means as adverse as was expected and even wheat flour, which enjoyed the largest reduction (30 per cent), practically held its own.

At the beginning of the first World War it was rather difficult to envisage what might be the attitude of Brazil. The large number of German colonists in southern Brazil, estimated at anywhere from 350,000 to 500,000, might have been expected to exert considerable influence towards a pro-German policy. The Brazilian government and the Brazilian people, however, soon gave clear indications that their sympathies were overwhelmingly on the side of the Allies. Within a week after the outbreak of the war the Brazilian Chamber of Deputies passed a motion recording its opposition to the violation of treaties and to acts violating the established principles of international law.[76] Less than a year later (in March, 1915), an organization was founded under the presidency of the eminent Brazilian statesman, Ruy Barbosa, known as

[74] U. S. Tariff Commission, *Reciprocity and Commercial Treaties, 1918*, p. 285.
[75] U. S Treaty Series, No. 672.
[76] P. A. Martin, *Latin America and the War*, League of Nations, Vol. II, No. 4, p 233.

the Brazilian League for the Allies. Its program included educational conferences, petitions of protest against Germany's war methods, and the raising of funds for the Brazilian Red Cross. It was at one of the meetings held by this organization, to raise funds for the establishment of a Brazilian hospital in Paris for the French wounded, that President Barbosa expressed regret that the United States had not seized the opportunity to assure itself first place among the nations by grouping about itself all the peoples of the American continent in protest against the invasion of Belgium and entering into the struggle to protect the validity of international engagements.[77]

Germany's unrestricted submarine warfare, which soon became a deadly menace to Brazil's extensive merchant marine, and the entrance of the United States into the World War, both tended to bring Brazil into the war on the side of the Allies. On April 11, 1917, immediately following the sinking of the Brazilian steamer *Parana* off the coast of France, diplomatic relations with Germany were severed. On May 22 President Braz urged Congress to revoke Brazil's neutrality in favor of the United States. In his speech he pointed out that "the Brazilian nation, through its legislative organ, can without warlike intentions, but with determination, adopt the attitude that one of the belligerents forms an integral part of the American continent, and that to this belligerent we are bound by a traditional friendship and by a similarity of political opinion in the defense of the vital interests of America and the principles accepted by international law." [78]

The decree of neutrality was annulled on June 1, and in the circular note to foreign governments announcing the fact, the Brazilian government thus indicated its union of interests with the United States: "Brazil could not remain indifferent to it when the United States were drawn into the struggle without any interest therein but in the name alone of respect for international law, and when Germany extended indiscriminately to ourselves and

[77] Gaston Gaillard, *Amérique Latine et Europe Occidentale* (Paris, 1918), p. 44.

[78] *Brazilian Green Book*, authorized English version (London, 1918), p. 40 For expression of opinion in Brazil see G. Gaillard, *op. cit.*, pp. 70-90.

other neutrals the most violent acts of war. If hitherto the relative lack of reciprocity on the part of the American Republics has withdrawn from the Monroe Doctrine its true character, permitting a scarcely well founded interpretation of the prerogatives of their sovereignty, the present events, by placing Brazil, even now, at the side of the United States, in the critical moment of the world's history, continue to give our foreign policy a practical form of continental solidarity—a policy indeed which was that of the old régime on every occasion on which any of the other friendly sister nations of the American continent were in jeopardy." [79]

The final break came on October 26, 1917, when a resolution recognizing a state of war was passed unanimously by the Senate and with only one vote against it in the lower house. Compulsory military service was reinstated, a mission was sent to the United States to purchase equipment and to arrange for military coöperation, a fleet of light cruisers was sent to cooperate with the British, aviators and physicians were sent to the western front, and every effort was made to increase the exportation of foodstuffs to the Allies.[80] From the point of view of the United States, the entrance of Brazil into the war was particularly important, even on purely moral grounds. The conclusion that the war was essentially just and necessary was enormously strengthened when the two greatest states of the western hemisphere, putting aside all feelings of rivalry and petty jealousy, decided to stand shoulder to shoulder in a struggle for that democracy which has ever been the ideal of the two Americas.

In the settlement following the war it must be conceded that Brazil was more steadfast in supporting the ideals for which she fought than was the United States. Brazil accepted the noble purposes of the League of Nations as worthy of at least a fair trial, and was deservedly honored by being elected to membership in the League Council. In his address to Secretary Colby on the occasion of the latter's visit to Rio de Janeiro in December, 1920, President Pessoa expressed regret that the United States had failed to ratify

[79] *Brazilian Green Book*, p. 49.
[80] P. A. Martin, *op. cit.*, p 243.

the treaty of Versailles. "Brazil," he declared, "is naturally very much interested in the beneficial purpose of the League of Nations. Therefore it is a matter of regret that the United States, which took the lead in that great project, has not retained it." [81] When the votes were cast for the judges of the League's Court of International Justice, Brazil showed her continued confidence in the United States by choosing as one of her candidates the American statesman whose Pan-American policy received the hearty support of all Latin America, Mr. Elihu Root. When the court was finally constituted, Brazil found herself again honored by being represented on this body by her eminent statesman and publicist, Ruy Barbosa.

As further evidence of Brazil's friendliness toward the United States an arrangement was concluded between the two countries on November 6, 1922, for the sending of a commission of sixteen naval officers and nineteen non-commissioned officers for a period of four years to reorganize the Brazilian navy. Commander (later Admiral) Vogelgesang of the Brooklyn Navy Yard headed the commission. Dr. Zeballos, former Secretary of Foreign Relations of Argentina, gave voice to the resentment caused in his country by this act and claimed that it interfered with any program for the limitation of armament between the A B C powers. However, according to A. T. Beauregard, a member of the mission who returned with Admiral Vogelgesang in February, 1925, the mission's purpose was not to persuade Brazil to enlarge her navy but merely to bring it up to the highest standard of efficiency.[82] In July, 1926, the State Department announced that the contract had been renewed for another period of four years as from November 6, 1926.[83]

In 1930 as a measure of economy the mission was permitted to return home, but in 1932 a new contract was signed for a smaller mission and this arrangement was renewed May 27, 1936, for another four years. As then organized the mission consisted of eight officers and five chief petty officers whose duties were to coöperate

[81] The *Independent*, Vol. CV, p. 49 (Jan. 8, 1921).
[82] *Current History*, Vol 22 (Aug., 1925), p. 815.
[83] *United States Daily*, July 16, 1926.

with the Minister of Marine and officers of the Brazilian Navy in an advisory capacity.[84] A similar agreement was signed November 13, 1936, between the two governments for a small military mission to coöperate with the general staff and assist in courses given at coast artillery instruction centers.[85]

As a result of this coöperation it was only natural that when Brazil wished to secure temporarily several United States destroyers already out of commission, for training purposes, the United States was glad to oblige. But although Brazil's neighbors did not object to the borrowing of United States naval officers for instruction purposes, they opposed very vehemently the borrowing of naval vessels. So vocal were the protests that on August 20, 1937, the United States and Brazil issued a joint statement declaring that the proposed plan was in entire harmony with the policy welcomed in many previous instances by the governments of other American republics of lending officers to them for instruction purposes or of receiving their officers for training in the naval vessels of the United States in American waters. They regretted "that a question of such limited importance should even for a few days be allowed to divert attention from the high ideals and . . . program which the 'good neighbor' policy comprises." [86]

The subsequent political situation in Brazil held a certain degree of uncertainty as to possibilities of a dictatorship after the Italian model. When Dr. Getulio Vargas took over the government of Brazil as dictator in 1930 it was regarded as merely a revolutionary *coup* to prevent São Paulo from monopolizing the Presidency. The United States, insufficiently informed as to political developments, at the urgent solicitation of the Brazilian ambassador in Washington allowed itself to be persuaded to place an embargo upon shipments of arms to the revolutionists while still permitting the sale of war supplies to the Federal Government. When, two days later, the revolution was successful, the Depart-

[84] For terms of a new agreement signed May 7, 1942, see Executive Agreement Series, 247.

[85] In 1941 a new four-year agreement covering a military and military aviation mission replaced the previous military agreement, Executive Agreement Series, 202.

[86] U. S. Department of State, *Press Releases*, August 21, 1937, p. 162.

ment of State realized that it had made a serious diplomatic *faux pas* and tried to remedy the blunder by a prompt recognition of the new government. The bloody revolution of 1932 and the huge casualty list in its suppression indicated serious internal trouble in the Federal Republic. Undoubtedly the drop in the price of coffee from 24.8 cents a pound in March, 1929, to 7.6 in October, 1931, had something to do with the domestic situation.[87] Even the new liberal constitution of 1934 could not solve the problem of the economic losses brought about by the low selling price of coffee. Nor did the destruction of some 26 million bags of coffee from January, 1931, to January, 1934, remedy the situation. Another revolution broke out in 1935 and it was again crushed by the government.

Inasmuch as the constitution of 1934 forbade the immediate reelection of the President, it was evident that a new constitution was required to permit Vargas to continue to head the government. On November 10, 1937, he assumed dictatorial powers and promulgated a new constitution establishing a centralized corporative state which dissolved all existing legislative bodies, federal and state. The new constitution increased the term to six years and declared the President to be the supreme authority of the state. Although this new government seemed to threaten a fascist form of government in the Western Hemisphere, Sumner Welles, United States Undersecretary of State, in an address made December 6 declared that the traditional friendship between the people of Brazil and the United States was not impaired by misinterpretations placed upon the Vargas *coup d'état*. He recalled that it had been unanimously agreed at the Buenos Aires Conference that no state should interfere with the internal affairs of another state.

Vargas henceforth ruled as dictator with opposition thoroughly stifled. An attempted palace revolution by the Fascist Integralistas on May 11, 1938, failed although Vargas for hours was aided only by his personal servants and a few guardsmen. The European war which finally spread to the Western Hemisphere afforded a good excuse for a government by presidential decree, and Vargas

[87] Horace B. Davis, "Brazil's Political and Economic Problems," *Foreign Policy Reports*, Vol. XI, No. 1 (March 13, 1935).

seized the opportunity and has done an excellent job at that kind of administration. His government, the *Estado Nuevo,* is claimed to be an "authoritative democracy," but the emphasis is clearly upon the first part of the phrase.

In the spring of 1939 Foreign Minister Arañha came to Washington and worked out an elaborate program for closer economic collaboration with the United States. Commercial transactions were facilitated by a $19,200,000 credit extended by the Export-Import Bank to the Bank of Brazil. The program also contemplated a survey of tropical agricultural possibilities by American experts, the development of certain basic industries, and the improvement of transportation facilities.[88] The following year Warren Lee Pierson, President of the Export Import Bank, after a survey of conditions in Brazil recommended the construction of a modern steel-producing plant in Brazil, the machinery for which could be supplied by the United States. This steel plant, to be located 90 miles south of Rio De Janeiro, was expected to produce more than half of Brazil's existing requirements for steel within two years. A loan of 20 million dollars was made for this purpose, Brazil to supply another 25 million.

An even more elaborate economic arrangement was made with Brazil on March 3, 1942. It consisted of a series of agreements providing for a complete mobilization of the productive resources of Brazil with credits to the amount of $100,000,000 to be made available by the Export Import Bank. Through agreements signed with the Brazilian Finance Minister and the British Ambassador, the Export Import Bank and Metal Reserve Company would finance the development of the Itabira iron mines and the Victoria Minas Railroad in order to obtain high grade ores for the United States and Great Britain. Other agreements provided for the transfer of military material under lend-lease arrangements, the development of the production of raw rubber and its purchase, and for the purchase of such commodities as barbassu and castor oil, cocoa, coffee, and Brazil nuts.[89] In the fall of 1942, a technical

[88] S. S. Jones and D. P. Myers, *Documents on American Foreign Relations* (Boston, 1939), pp. 128-142.

[89] *Department of State Bulletin,* Vol. VI (March 7, 1942), pp. 205-208.

commission headed by an American industrial engineer, Morris Llewellyn Cook was sent to Brazil to work out the specific details of the program.

A more general economic arrangement looking towards continental solidarity but of particular interest to Brazil was the Coffee Marketing Agreement signed November 28, 1940, and ratified February 12, 1941. By the terms of this agreement fourteen American republics allocated equitably the market of the United States and that of the rest of the world among the various coffee-producing countries through the adoption of basic annual quotas for each country. According to the quotas established, the United States would take 9,300,000 bags of coffee from Brazil, 3,150,000 from Colombia, and 1,550,000 bags from the Central American republics.[90]

After the United States entered the war, Brazil gave the most whole-hearted support to the cause of the United Nations. Arrangements had already been made with the United States by the agreement signed October 1, 1941, to improve Brazilian defenses through lend-lease shipments of planes, tanks, and trucks with additional funds to improve her air and naval bases. Inasmuch as the third meeting of American Foreign ministers to formulate plans for continental defense was held at Rio de Janeiro, Foreign Minister Arañha was in a strategic position to support the United States in its desire for an all-American severance of diplomatic relations with the Axis powers. The Brazilian Foreign Minister measured up to expectations and not only supported the break enthusiastically, but when Argentina and Chile hedged upon immediate action, Brazil alone of the A B C powers took the step before the Conference adjourned.

Axis firms and individuals were placed under official surveillance and control, pro-Axis news agencies and newspapers were suppressed, and Axis financial transactions were restricted to the minimum. Following the sinking of Brazilian ships by submarines, the Brazilian government seized up to 30 per cent of the assets of Axis enterprises to guarantee compensation. Nowhere in South America did the Fifth Column receive more ruthless treatment

[90] *Ibid*, Vol. III, pp. 483-88 (Nov. 30, 1940)

than at the hands of Getulio Vargas. When news was received August 18, 1942, that five more Brazilian ships had been sunk within three days—one a troop transport—Brazil temporized no longer and declared war the same day. Brazil's vast stores of strategic materials, her rapidly expanding air force, and the joint defense of the strategic bulge at Natal were invaluable assets in the defense of the Americas. Upon his return from Africa in January 1943, President Roosevelt stopped off in Brazil to see President Vargas, and both agreed that never again should the coasts of Dakar and West Africa become an invasion threat to the Americas. Brazil promised to aid in the war against the undersea menace, and it was later reported that at least ten Axis submarines had been sunk by the joint action of the air and sea forces of Brazil and the United States.

In sketching the relations between the United States and Brazil, perhaps even more than in the case of either Argentina or Chile, stress should be laid on the commercial side. Long before the establishment of the republic, Brazil's trade with the United States surpassed that of all the Spanish South American republics combined. For example, in 1870 Brazil's trade with the United States was valued at approximately $31,000,000, while that of the Spanish South American countries amounted to about $29,000,000.[91] However, it must be noted that the United States imported from Brazil about four times as much as she sent in return. And this situation was due principally to the fondness of the people of the United States for Brazilian coffee. The first boat that inaugurated regular monthly steamship transport between the United States and Brazil arrived at Rio on June 7, 1878, and took back a cargo of 37,000 sacks of coffee, the largest and most valuable single cargo that had ever been shipped from the country.[92] In 1890 the total trade between the United States and Argentina was valued at approximately $14,200,000, the trade with Chile at $6,400,000, while that with Brazil amounted to more than $71,000,000.[93] At the outbreak of the first World War Brazil still held first place in

[91] *For. Rel. of the U. S*, 1870, pp 283-287.
[92] *Ibid.*, 1878, p. 67.
[93] *Statistical Abstract of the U. S, 1890,* p 75.

United States' trade with South America, with a total value of about $154,000,000, although Argentina, with a total value of about $72,000,000, had gained more proportionately.[94]

The depression that followed the first World War, and the subsequent noxious high tariff policy culminating in the Hawley-Smoot Bill of 1930 made a drastic cut in the trade of the United States with Brazil. It was to be expected therefore that with the passage of the trade agreement act of 1934, the United States would endeavor to improve its trade relations with its best South American customer. In fact, the trade agreement between the United States and Brazil which became effective January 1, 1936, was the first signed with a South American state. According to its terms the United States agreed to cut tariff duties on such Brazilian products as manganese, Brazil nuts, and castor beans, as well as keep on the free list coffee and cacoa which were Brazil's principal exports to the United States. In return Brazil reduced her tariff on American automobiles, radios, electric batteries, cement, paints, fruits, fish, and numerous other articles. The agreement provided for most favored nation treatment and prohibited all import quotas or licenses except for sanitary purposes.

Although the results were not remarkable the figures show a substantial improvement both in imports and exports. Taking the 1934-35 average, that is the two years preceding the agreement, and contrasting it with the 1938-39 average, that is two years after the agreement, we find that United States exports to Brazil increased 69½ per cent and our imports 7 3/10 per cent. The total trade increased in the same period from $138,000,000 to $174,000,000.[95] The second World War increased both the percentage and the amount of Brazil's trade with the United States very materially. In 1940, Brazil did almost 50 per cent of her total trade with the United States, and it was valued at $273,472,000. For the first nine months of 1941, after which the United States ceased publishing the figures for the duration of the war, the value of United States trade with Brazil was $210,134,000. A fair estimate for the entire year 1941 would bring the figure close to $330,000,000.[96]

[94] *Ibid.*, 1914, p 688. [95] *Commerce Reports*, Feb. 17, 1940, p. 169.
[96] Lack of shipping caused 1942 trade to drop to about $265,000,000.

The United States is a natural customer of Brazil not only for her coffee and cacao but for her precious stones, manganese, woods, nuts, and rubber. Brazil needs capital, and the United States can supply it. Transportation by land, water, and air must be developed, and the United States can aid both technically and financially in its expansion. In the words of a former Brazilian commercial agent to the United States, Brazil "looks to the United States for men and money, and we stand ready to give value for value received." The United States should not find it difficult to meet these requirements.

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CHAPTER XVIII

IMPLEMENTING THE GOOD NEIGHBOR POLICY

THE typical Yankee of North America is partial to slogans. He likes to tie up his country's policies in bundles and label them. Freedom of the Seas, The Open Door, The Monroe Doctrine, and The Good Neighbor Policy are pertinent examples. Unfortunately, once formulated and labeled, the policy is accepted as a vital element in the structure of the state, but no attention is paid to its growth and development. As a result, when such a policy is challenged, no one is more surprised than complacent Mr. John Citizen. This has been particularly true with reference to our relations with the Latin-American Republics to the South. We have always wanted to be "buenos vecinos" and we have found it difficult to understand how any one could possibly believe otherwise Nevertheless, the facts of the situation have been such that, as recently as a decade ago, an objective observer would have declared that the United States, by and large, was suspected, disliked, and feared from the Rio Grande to the Straits of Magellan.

A bird's-eye view over the Latin American attitude, as it existed at the advent of the Roosevelt administration, is very illuminating. Mexico resented the exploitation of her oil wells and mineral resources by foreign corporations which sent most of the profits out of the country. Cuba was becoming more and more restive under the Platt Amendment, which permitted legalized intervention, a flagrant infringement of her status as a sovereign state. Nicaragua, Haiti, and the Dominican Republic were either occupied by the marines or had just seen them withdrawn, with always a possibility of their return. Panama fretted under the Canal Treaty which gave the United States absolute control of the Canal Zone and an overprivileged position outside. Venezuela's oil, Peru's vanadium and copper, Chile's nitrate and iron, Uruguay's meat industries; Brazil's coffee were all controlled by or

dependent upon United States markets. The Colossus of the North was a tangible and threatening menace to our neighbors to the south in spite of our much vaunted anti-imperialistic intentions.

Unfortunately, the citizen of the United States had not the slightest conception of this unfriendly attitude. Had not the century-old Monroe Doctrine raised a bulwark of protection against European threats of encroachment? Had not our great Secretaries of State from Henry Clay to Cordell Hull preached the doctrine of inter-American coöperation? Had not Woodrow Wilson even tried to extend the Monroe Doctrine to the entire world? Undoubtedly in theory the United States has always believed in the good neighbor policy and on the whole has tried to follow it. But in practice the exceptions have been many and the results very profitable to Uncle Sam.

Let us draw up a bill of particulars from the Latin-American point of view. Mexico received very little protection from the Monroe Doctrine when Maximilian established a monarchy right on our border. Argentina would still possess the Falkland Islands if Uncle Sam had interpreted the Doctrine to safeguard all of South America. The Mexican War had more than a tinge of imperialism south of the Rio Grande. Teddy Roosevelt and his Big Stick were not appreciated in the Caribbean and were keenly resented in Colombia. The Platt Amendment did not make for a *Cuba Libre* in the eyes of the Cuban patriots. Secretary Hughes' substitution of the euphemistic term "interposition" for "intervention" was not a satisfactory solution for the sending of the marines. In fact, to the realistic Latin American his Yankee big brother was more threatening than the European cousin because he was both bigger and closer at hand.

Added to these proofs of our aggressive tendencies, another obstacle to better understanding has been the limitless ignorance of the North American in regard to the twenty different republics to the south. To the Yankee, Latin America meant the vast continent of South America with a Central American attachment spanned by the Panama Canal and a fringe of interesting but inconsequential islands in the Caribbean. Mexico, like Canada, was

so completely in our orbit that the frontier was regarded as more of a nuisance than a national boundary. Mr. John Citizen would have been much surprised to learn that these twenty republics are independent, nationalistic units, often very antagonistic to each other. It would have even startled him if he had been told that the Hondurans think of the Nicaraguans as city slickers, the Ecuadoreans regard the Peruvians as frontier highwaymen, that the Argentinians call the Brazilians monkeys because they chatter so much, and the Brazilians' retort discourteous is "wooden heads" and the wood suggested is quebracho, so tough that it resists even a machete.

Numerous incidents are related indicating our abysmal ignorance of the size, character, and even language of Brazil. Stefan Zweig in his recent fascinating book on Brazil tells of the Boston business man who wouldn't believe that Brazil was larger than the United States until shown a map, and of the English author who sent his hero to Rio to learn Spanish. Even our scholars are often surprised to learn that three countries in Latin America, Peru, Mexico, and the Dominican Republic, have universities which were established before any such institutions in North America.

The geographical factor is another obstacle which is often overlooked. Europe is closer to the United States than South America, and has always had better and cheaper means of communication. No steamship line has yet established the cabin class type of boat which has always been popular on the European runs. Although airplane service now completely spans the Latin-American area, it is very expensive and far less suitable for vacation travel.

Our salesmen rarely spoke the language of the countries to the south, firms hesitated to give long terms of credit, goods were packed improperly, and little effort was made to produce articles specifically for the Latin American trade.

The vast and excellent literature of our neighbors to the south was unknown either in the original or in translations. Out of twenty-seven outstanding Latin American literary works translated in the past few years almost all have been commercial losses. Latin America was a veritable *terra incognita* in the curricula of our institutions of higher learning.

Finally, a more recent threat to the sympathetic understanding between the United States and Latin America has been the sinister propaganda of the Nazi organization in South America. The German embassies and legations, with numerous press and so-called cultural attachés, were abusing shamefully their diplomatic privileges in order to serve as agents for Dr. Goebbel's Ministry for Propaganda and for Herr Himmler's even more dangerous Gestapo. Every instrumentality, radio programs, schools, social clubs, and relief organizations were being effectively employed to draw the Latin American nations into the orbit of the Swastika and to undermine and sabotage the friendly approaches of the United States. Hitler had even declared his intention of making a "great German dominion of that continent of half breeds." What better way to begin than by kindling the latent fear and jealousy of the United States in Latin American hearts?

Fortunately for the security of the Western Hemisphere the dawn of a new era had arisen. President Roosevelt proclaimed the policy of the Good Neighbor. Determined henceforth to reconcile promises with deeds, the United States in typically Yankee fashion attacked the problem on all fronts—political, economic, and cultural.

Marines were withdrawn from every Caribbean outpost and future intervention was outlawed by specific conventions signed and ratified by the United States. Unsatisfactory agreements such as the Platt Amendment with Cuba and the Canal Treaty with Panama were revised in accordance with the wishes of these neighboring republics. No longer would we possess the legal right to intervene in Cuba in derogation of her sovereignty. In case of aggression endangering the Canal the United States and Panama would consult for mutual defense instead of Uncle Sam dictating the policy. Even the Monroe Doctrine, the Holy of Holies in American diplomacy, was overhauled and reinterpreted to the benefit of both the Americas. Instead of the United States alone determining when and if the principles of the doctrine are violated, the twenty-one American republics now consult together when any threat to this hemisphere arises. Even tariff barriers have had to give way before the pressure of good will, and Secretary Hull

has signed fifteen reciprocal trade agreements with our Latin American neighbors. One result has been to bring about a phenomenal increase of trade between Latin America and the United States, amounting to over a billion-and-a-half dollars in the fiscal year of 1941.

But the greatest accomplishment in the political field was the utilization of the Pan American Conferences to serve as effective agencies for coöperation among the twenty-one republics. At the Conference held at Lima in December, 1938, the representatives unanimously approved a declaration of principles of the solidarity of America, agreed upon joint defense against foreign intervention, and established automatic machinery to make it effective. The simple device agreed upon was to authorize the Foreign Minister of any American republic to call a meeting of all the foreign ministers when any threat arose.

Hardly was the ink dry upon this document before the Nazi war machine rolled over Poland. A conference was immediately called in Panama and a three-hundred-mile safety zone was established around the American republics and the belligerents were asked to do their fighting outside. Violations were to be followed by withdrawal of the privilege of fueling and making needed repairs.

A still greater menace arose with the subjugation of France and Holland. Both of these nations had important colonial possessions in the western hemisphere. Another meeting of the foreign ministers, this time in Habana, agreed that any move on the part of the Axis to take over these possessions would be prevented by joint action. If the threat was imminent any one power might act to forestall it. That is, all Latin America now trusted us sufficiently to permit the United States to enforce the Monroe Doctrine by itself if the emergency warranted. The Americas had at last recognized the famous doctrine of Monroe to mean all for one and one for all.

The devastatingly successful attack by the Japanese upon Pearl Harbor brought the war into the Western Hemisphere. Would the two Americas meet the test and carry out their promised cooperation for hemispheric defense? Would Latin America prove

that the Good Neighbor Policy was a policy of reciprocity? The answer came quickly. The day after the attack, Mexico and Colombia broke off diplomatic relations and within four days the nine Central American and Caribbean republics had declared war upon the Axis powers. A meeting of foreign ministers was summoned at Rio to formulate a policy of defense of the Americas.

Since it was now evident that Axis propaganda and subversive activities were rampant throughout the Western Hemisphere and that the German embassies were the source of this pollution, the United States felt that the minimum requirement for self-protection was the severance of diplomatic relations to stamp out the evil at its very roots. A resolution recommending such a break was unanimously accepted and before the Conference ended every nation except Argentina and Chile had dismissed the Axis diplomats. Another resolution looked towards a complete economic and financial boycott of the Axis partners. Agreements were entered into for the production and exchange of strategic materials essential to hemispheric defense and envisaged the formulation of a complete and coordinated general plan for economic mobilization. To coördinate effectively the necessary measures of hemispheric defense, an Inter-American Defense Board composed of military and naval officers of the twenty-one republics was established at Washington.

As a result of the discussions with the military and naval authorities of the several Latin American countries it seemed desirable, as far as possible, to replace foreign materiel by military or naval equipment from the United States. Since financial conditions made it impossible for the American republics to pay the entire cost, arrangements were made to supply them under the lend-lease act. A preliminary sum of $400,000,000 was allocated for these supplies, and lend-lease agreements were signed by the end of 1942 with all of the republics except Argentina and Panama.

Military, naval and aviation missions from the United States were made available to every Latin American republic which desired them. By June 30, 1942, some form of military, naval or air mission was to be found in thirteen of the twenty Latin American

republics, leaving out of consideration the huge forces at Panama and the naval base in Cuba. A plan for the effective use of foreign ships in American ports was worked out so that more than a hundred of these vessels were transferred to active service in inter-American trade.

A Conference on Systems of Economic and Financial Control met in Washington in July, 1942, to supervise all commercial and financial intercourse between the Western Hemisphere and the aggressor states or the territories dominated by them for the duration of the war. Any transaction that might prove inimical to the security of the Western Hemisphere, whether international or among the American republics, was within its jurisdiction. The United States had already promulgated a black list of firms and individuals suspected of doing business with the Axis powers. A report made in 1941 by the office of the Coördinator of Inter-American Affairs indicated that of some 5000 firms in Latin America over 1000 were definitely known to be identified with anti-American activities.

The better to maintain the economic stability of the other American Republics, the United States through the Board of Economic Warfare, in coöperation with the Department of State and the War Production Board, made every effort to facilitate the exchange of commodities. A quarterly allotment was made to the various Latin American republics of specific quantities of iron and steel, chemicals, farm equipment, and other products vital to their national economics.

Preclusive purchasing agreements of strategic materials were made with various Latin American states both to keep their supplies from the Axis powers and to keep an abundant supply available to the United Nations. For example, Metals Reserve Company made overall agreements with Brazil for bauxite, chromite, manganese, and other minerals, with Bolivia for tungsten and tin, with Mexico for practically all of its exportable surplus of minerals, with Peru for antimony, copper and vanadium, and with Chile for copper, manganese, lead, and zinc. Rubber Reserve Company made similar arrangements for rubber with Brazil, Peru, Bolivia, Colombia, Ecuador and several Central American states.

Defense Supplies Corporation bought up surpluses wherever it seemed necessary, such as the reserve stock of Chilean nitrates and surpluses of Peruvian cotton.

The maintenance of health in the Western Hemisphere has been a vital feature of the coöperative war effort. An excellent illustration is afforded by the sanitation agreement with Bolivia signed July 15, 1942, whereby the government of the United States through the agency of the Coördinator of Inter-American Affairs would provide up to $1,000,000 for the coöperative development of a health and sanitation program including general disease control by clinics and public education, malaria control, yellow fever control, cure of lepers and environmental sanitation. A group of medical and sanitation experts from the United States were to work in close coöperation with corresponding officials of the Bolivian government.

The Basic Economy Department of the Coördinator's office, an agency concerned primarily with the health and nutrition of the people of the Americas, under the compulsion of war-time necessity, has more than 500 projects and activities under way. They range from the establishment of health stations in the Amazon rubber country to an extensive rehabilitation program in Ecuador. A series of comprehensive health and sanitation agreements and food-producing agreements have made it possible for the two Americas to coöperate effectively to strengthen the human resources of the hemisphere.

One of the most potent agencies for the coördinated economic development of the Americas was established on June 3, 1940 under the general direction of the Inter-American Financial and Advisory Committee. This agency known as the Inter-American Development Commission has established national commissions in every American republic whose primary functions are to supply information on the possibilities of developing production and trade. This organization proposes not only to establish new industries, but to try and reestablish the production of commodities such as cocoa, coconuts, copra, quinine and rubber which were once supreme in Latin America, but which were subsequently lost to Malaya. It has already established a market for Brazilian tapioca

in the United States and is sponsoring a sales campaign to stimulate the purchase in the United States of the beautiful handicraft work of the Latins.

Collaboration for the war effort is assured, but what has been done to maintain this spirit of coöperation in the more difficult period of postwar readjustment? The fundamental requirement is better understanding, an effective solidarity of mind and spirit as well as material interests. For lack of a better term this has been called cultural relations. In reality it includes every medium of communication and every facility for closer acquaintanceship. The most encouraging progress has been made in this direction.

First to encourage and make possible greater travel in both directions three great North American steamship lines with the finest accommodations link up the United States with the east and west coasts of South America. The Pan American Airways reaches every Latin American republic, and its Flying Clipper Cruises touch not only the great seaport cities but out-of-the-way places like Quito, the ancient seat of the Incas, Cuzco; the gateway to the marvels of Machu Pichu, or La Paz, highest capital in the world. Rapid progress is being made on the great Pan American highway which within the next few years will reach from Alaska's snowy forests to the dazzling Chilean lakes.

The radio and cinema are being more effectively utilized. The Pan American Union broadcasts regularly music representative of the two Americas, the American School of the Air has been extended to the other American republics, numerous institutions such as Stanford University and the University of Texas broadcast by short wave weekly programs in Spanish to the nations to the south. Every American embassy and legation now possesses moving picture projectors, and films depicting our national parks, our army and navy, our agricultural development are already available. Hollywood is now producing historical films such as Júarez and Bolívar, and the Walt Disney classics such as *Saludos Amigos,* and has eliminated the sensational, highly colored Mexican bandit and Argentinian gigolo type.

Travel grants to bring outstanding Latin American scholars, publicists, artists, and scientists are available and sixty-six were

granted during the 1941 and 1942 fiscal years. Exchanges of professors and students are being rapidly expanded and Latin American students enrolled in our universities have increased from 1,421 last year to 1,750 in the present academic year. Books may now be mailed between the American republics at the rate of five cents a pound and Archibald McLeish, Librarian of Congress, has compiled a list of good books reflecting life and thought in the United States for distribution in collections to representative libraries in the Latin American Republics. All of these avenues of approach are working towards the same result—better understanding and mutual appreciation.

In order to be the better prepared to face the serious problems of the postwar world, the Rio Conference by resolution entrusted to the Inter-American Juridical Committee the formulation of specific recommendations relative to international organization and security. Its preliminary report made September 5, 1942, is one of the most logical and effective programs for permanent world peace which has yet been devised. Its fourteen principles merit statement in full, but perhaps the following synthesis will suffice:

I Nations must recognize the priority of the moral law in their mutual relations and the principles of international law must be derived from it.

II-III. Nations must repudiate the use of force and accept the unqualified obligation to settle their disputes by peaceful means.

IV Nations must assume a collective responsibility for the maintenance of peace.

V. The sovereignty of a state may not be understood to violate the rights of the international community.

VI-VII. A more effective international organization must be established, so constituted as to reconcile the principle of the universality of membership with the existence of regional groups formed by bonds of common interests.

VIII-IX. A more effective system of collective security must be established which will put an end to the balance-of-power system, and will require the progressive limitation of armament and the state control of arms.

X-XI. Political imperialism and nationalism must be abandoned and backward areas administered for the benefit of their peoples.

XII-XIII. Economic imperialism and nationalism must give way to the

principle of equality of treatment, equal access to raw materials and markets, and a reduction of tariff barriers.

XIV. The social factors of war must be eliminated and there must be recognition of the fact that the improvement of the conditions of life for the individual citizen have a relation to the maintenance of peace.[1]

World civilization today faces the supreme crisis Men of good will want peace, freedom, and an enriched life for all, but they must fight together to get it and work together afterwards to maintain it. Here in the western hemisphere is an ideal laboratory to make the experiment of intelligent and fair international coöperation. No long festering hostilities rankle, every important boundary dispute has been settled, no lack of *lebensraum* exists, a bountiful nature has endowed us super-abundantly with all essential raw materials. The twenty-one republics have formulated and unanimously agreed upon a declaration of American principles outlawing force for the settlement of disputes and accepting the principles of international law as governing their interstate relation. Territorial aggression has been repudiated and abolished. The western hemisphere has set up the Golden Rule as its goal for the relations between states. Justice and fair dealing no longer end at the national frontiers Courtesy and decent conduct beget friendliness and appreciation. The most idealistic policy of the good neighbor is the most realistic policy of enlightened selfishness. The Japanese have sought in vain a co-prosperity sphere by terror and slaughter, the American republics are establishing one successfully by compromise and coöperation.

[1] *Preliminary Recommendations of Post War Problems Formulated by the Inter-American Juridical Committee.* (Pan American Union, Nov, 1942.)

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